



**Attorney General's Report  
on Federal Law Enforcement  
and Criminal Justice  
Assistance Activities**



**1975**

**U. S. DEPARTMENT OF JUSTICE  
Washington, D. C. 20530**



LETTER OF TRANSMITTAL

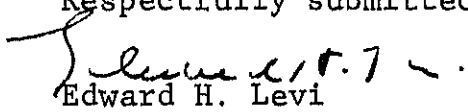
To the President and to the Congress of the United States:

I herewith submit the Attorney General's report on Federal Law Enforcement and Criminal Justice Assistance Activities.

The report identifies the programs conducted, the expenditures made, the results achieved, and the problems encountered in the operation and coordination of the various Federal initiatives concerning crime and its prevention. Each section of the report was drafted by the organization to which it pertains.

This report was prepared pursuant to Section 670 of the Crime Control Act of 1973 (P.L. 93-83). Primary emphasis is placed on the developments in Federal law enforcement and assistance to state and local governments which have occurred since the publication of the Attorney General's first comprehensive report in 1972. I trust that this report will provide additional insight into the wide spectrum of Federal law enforcement activities and criminal justice assistance. In particular, it should help members of Congress to assess the Government's performance in these areas and to design improvements for the future.

Respectfully submitted,

  
Edward H. Levi  
Attorney General

September 1975



ATTORNEY GENERAL'S REPORT ON FEDERAL LAW ENFORCEMENT  
AND  
CRIMINAL JUSTICE ASSISTANCE ACTIVITIES

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## INTRODUCTION

The United States Constitution reserves to the states and local jurisdictions the principal authority for the promulgation and enforcement of the criminal law. These jurisdictions thus carry the greatest share of the national burden of fighting crime and administering criminal justice. The United States Government, however, also makes an important contribution to these activities. It is responsible not only for the enforcement of all Federal statutes, but since the 1960s it has by act of Congress assumed an increasing responsibility for helping states and localities improve their criminal justice systems. This report surveys both of these activities, especially the significant developments since the publication of the Attorney General's report on Federal Law Enforcement and Criminal Justice Assistance Activities of 1972.

This report is a result of a cooperative effort by the 33 Federal agencies whose activities it describes. It discusses all the major Federal law enforcement activities and reviews the Federal assistance program, administered by the Law Enforcement Assistance Administration, which is designed to improve state and local criminal justice systems.

In reading this report, it should be remembered that crime is a universal problem known to all societies throughout

Its prevention has challenged governments in

1. This report cannot claim to contain easy solutions to the problem of crime. It does outline, however, significant and important efforts of the Federal government to meet its responsibilities to enforce Federal criminal law and to improve its assistance to state and local jurisdictions in the criminal justice area.

ADMINISTRATIVE OFFICE OF U. S. COURTS

The Administrative Office of the U. S. Courts compiles statistics on wiretapping by Federal and State law enforcement agencies, administers the Criminal Justice Act of 1964, compiles statistics on all criminal cases, supervises the Federal Probation Service, administers the Federal court system generally.

The Administrative Office was created by the Act of Congress August 7, 1939 (53 Stat. 1223; 23 U.S.C. 601). It is the administrative arm of the Federal Judiciary and is supervised by the Judicial Conference of the United States which has administrative responsibility for the Federal court system.

tapping

In accordance with 18 U.S.C. 2519(3) every Federal and state judge is required to file a written report with the Administrative Office on each application made to him for an order authorizing the interception of wire or verbal communication. Prosecuting officials who have authorized applications for intercept orders are required to file reports each January concerning communications actually intercepted. For the 12-month period ending December 31, 1974, there were 730 reports of applications for intercept orders made to Federal and state judges. Of these applications 728 were denied by state judges. Of the 728 applications granted, 121 were signed by Federal judges and 607 were signed by state judges. State judges in New York signed 306 authorization orders, 50 percent of all orders authorized by state judges. The 728 orders authorized during 1974 compares with 864 in 1973, 855 in 1972, 816 in 1971.

Wiretaps installed in 1974 resulted in intercepted conversations

number of persons intercepted was 59; the average number of conversations overheard by these interceptions was 850. The average total cost of an intercept in terms of manpower, equipment and other costs was \$8,087.

#### Criminal Justice Act

The Administrative Office administers the Criminal Justice Act of 1964 (P.L. 88-455).

This act compensates counsel appointed by the court for indigent defendants in federal criminal cases in the pre-trial, trial and appellate stages. It also provides payment for investigators, experts and other services.

Congress amended the Act in 1970 to provide for a public defender organization for any federal judicial district that had at least 200 persons annually who required appointed counsel. In the alternative, the amendment authorized establishment of a community defender organization operating either on a fee basis or on grants approved by the Judicial Conference. Amendments also extended coverage of the Act to include ancillary and other proceedings, petty offense representations, and grand jury witnesses, as well as increased fee and total compensation provisions.

In fiscal year 1974 Congress appropriated \$18,675,000 for implementation of the Act. Counsel were appointed to represent 43,000 persons in all of the Federal courts and 12,000 in the local courts of the District of Columbia.

During fiscal year 1974 there were 15 Federal public defender organizations and six community defender organizations. These offices were assigned approximately 12,000 cases or 28 percent of the

total number of persons represented in the Federal courts in 1974.

#### Federal Criminal Cases

A total of 37,667 original criminal cases was docketed in fiscal year 1974, a 6.7 percent drop from the previous fiscal year. Five major offense groups showed significant declines in cases filed. Selective Service Act prosecutions dropped from 3,043 in 1973 to 1,008 in 1974, a decline of nearly 67 percent. Filings for liquor law violations declined nearly 29 percent. Filings for narcotics laws violations fell to 7,374 in 1974 compared to 8,817 in 1973, a drop of over 16 percent. Filings for violations for immigration laws decreased by 13 percent. This decline may be attributed to the handling of many of these cases by U. S. Magistrates instead of being placed on the District Courts' dockets. Auto theft cases continued to decline as only 1,790 new cases were filed in 1974, 8 percent below the number filed in 1973.

Two criminal offense categories showed significant increases in case filings during 1974. Weapons and firearms cases totaled 2,911 in 1974 compared to 2,224 in 1973, an increase of nearly 31 percent. Prosecutions for escape, including failure to appear in court and bail-jumping, increased to 1,505 in 1974, 9 percent higher than in 1973.

#### Federal Probation System

The Administrative Office, through its Division of Probation, supervises the Federal probation system. The probation system is subject to primary control by the U. S. district courts which it serves. The work of the probation system is carried out by a staff of 1,468 officers in 213 field offices. They serve 91 district courts in 50



## Food Stamps

The Food Stamp Program continues to command a major share of the U. S. Department of Agriculture law enforcement resources. Typical violations include theft, fraud, illegal trafficking in food stamps, counterfeiting, and acceptance of food stamps for liquor, tobacco, or other non-food items. During fiscal year 1974, 3,987 investigations were conducted by the Department's Office of Investigation (OI) and 2,531 involved violations of the Food Stamp Act. A majority were punished administratively. However, 1,272 violations were referred to the Department of Justice for possible prosecution: 311 indictments were obtained, 237 persons were convicted, and more than \$600,000 in losses were recovered. During the first half of fiscal year 1975, 2,000 of the 2,450 investigations involved food stamp violations. During that period, 157 indictments were obtained and \$600,000 was recovered.

## Regulatory Programs

Meat and poultry inspection and animal and plant quarantine programs are administered by the Animal and Plant Health Inspection Service. Grain inspectors are licensed by the Agricultural Marketing Service. Violations in these programs include the bribery of inspectors or graders, the interstate shipment of non-federally inspected meat, the unauthorized use of meat grading stamps, the introduction of adulterated meat or meat products into consumer channels, and the falsification or alteration of inspection and grading certificates.

The Department has concentrated upon the persistent incidence of bribery or attempted bribery of Federal and federally licensed



meat, poultry, and grain inspectors. During fiscal year 1974, eighteen persons were indicted and ten were convicted for bribery or attempted bribery of Federal meat and poultry inspectors. Fines totalling \$100,000 were collected. Also during fiscal year 1974, 15 persons were indicted and 5 were convicted for bribing or for attempting to bribe Federally licensed export grain inspectors. Twenty-two more individuals were indicted and \$198,500 in fines was collected for grain inspector bribery offenses during the first half of fiscal year 1975.

As of April 21, 1975, the regulation and enforcement of criminal provisions governing the agricultural commodities exchanges (which were formerly under the Commodity Exchange Authority) became the responsibility of the Commodity Futures Trading Commission, a new independent regulatory agency. However, the Office of Investigation will continue to provide investigative support to CFTC on a contract basis.

#### Farm Programs

A significant number of criminal violations occurs each year in USDA farm programs, which include the production stabilization activities of the Commodity Credit Corporation (CCC) and the Agricultural Stabilization and Conservation Service (ASCS), crop insurance programs administered by the Federal Crop Insurance Corporation, and farm and rural housing loan programs of the Farmers Home Administration.

Most violations in these farm programs involve false claims, fraudulent applications for benefits, and unlawful disposition of crops, realty, or other property pledged as security for Government loans. During fiscal year 1974, eighteen persons were indicted and eight were convicted for CCC-ASCS program violations. Recoveries and fines

totaled \$2,625,000. During that same year FmHA law enforcement efforts resulted in seven indictments, three convictions and a total of \$500,000 in recoveries and fines.

#### THE FOREST SERVICE

The USDA Forest Service administers the vast system of national forests across the country. Hundreds of thousands of violations occur on forest lands each year: setting fires, trespassing, theft, vandalism, and unlawful hunting. The Forest Service cooperates extensively with Federal, state, and local law enforcement agencies.

The Forest Service also administers or supports important crime prevention and rehabilitation programs, including the Job Corps, the Youth Conservation Corps, and special correctional facilities. The Forest Service Job Corps program graduates approximately 8,000 young men and women each year, ninety-two percent of whom are successfully placed in the construction trades. State and local correctional authorities have received special permits for rehabilitation centers on national forest lands in nine states. In conjunction with the Department of Interior and a number of states, the Forest Service will provide an educational work experience for 10,000 youngsters as part of the Summer 1975 Youth Conservation Corps effort.

#### AGRICULTURAL RESEARCH SERVICE

During the period fiscal years 1973-1975, the Agricultural Research Service (ARS) has spent nearly \$5 million in support of research into controls and substitutes for narcotic producing plants. A non-opium producing poppy has been developed in cooperation with the United Nations.

Research into substitute crops (deciduous fruits, mushrooms, strawberries, lentils, etc.) has been conducted in Pakistan, Thailand, and Turkey. Research has also centered on herbicides, biological controls, taxonomic and botanical studies.

CIVIL AERONAUTICS BOARD

The Civil Aeronautics Board (CAB) is an independent agency established by the Civil Aeronautics Act of 1938 (52 Stat. 973) and continued by the Federal Aviation Act of August 23, 1958, as amended (74 Stat. 731, as amended; 49 U.S.C. 1301, et seq.).

Its objective is to promote and regulate a sound air transportation system to serve the domestic and international needs of the traveling and shipping public, of the United States Postal Service, and of the national defense. To achieve these ends, the Board is granted broad administrative, investigative, quasi-judicial, and rule-making powers.

As an integral part of its authority, the Board is charged with the responsibility of enforcing compliance with the act and regulations it promulgates. These enforcement activities, designed both to prevent and to terminate violations in the economic area, are pursued before the Board itself and with the aid of the Department of Justice, in the courts.

Sections 901 and 902 of the Act (49 U.S.C. 1471 and 1472) provide for the imposition of civil and criminal penalties. Sections 411 and 1002 (49 U.S.C. 1381 and 1482) provide for the entry of compliance orders by the Board. In addition, 14 CFR Part 808, provides for the summary administrative seizure of any aircraft involved in violations of the Act or Board Regulations. Sections 1004 and 1007 (49 U.S.C. 1484 and 1487) provide for the entry of enforcement orders by the courts.

Within CAB, the enforcement task rests primarily with the Bureau of Enforcement. The Bureau is responsible for enforcing the

economic provisions of the Federal Aviation Act of 1958, as amended; for enforcing the relevant provisions of the Clayton Antitrust Act, the Railway Labor Act and all economic orders, regulations and requirements promulgated by the Board.

The Board's law enforcement activities are designed to eliminate practices that detract from the efficiency and well being of the air transport system or that inflict inconvenience, hardship, or loss on the traveling and shipping public. In order to accomplish this objective, the Bureau of Enforcement has broken down its activities into seven basic program areas:

1. Charters
2. Tariff violations
3. Consumer actions
4. Unauthorized air transportation
5. Cargo violations
6. Antitrust
7. Integrity of Board processes.

In each of these areas, all actions are taken, as far as practicable, to achieve industry-wide efforts.

During the past two years, the greatest challenge to the Board in the law enforcement area has been the failure of certain air carriers under the Board's jurisdiction to properly file required reports and/or financial statements with the Board. This problem has been particularly acute in the area of unreported corporate political contributions. The Board's activity in this area has included over 5,000 man hours of audit

time, the filing by the Bureau of Enforcement of two major complaints (American Airlines, Docket 26363 and Braniff International Airways, Docket 26364), and the acceptance by the Board of a settlement of the American Airlines case with the issuance of an Order to Cease and Desist and the payment of a record \$150,000 in civil penalties (Order 75-5-102, issued May 27, 1975).

In addition to the cease and desist orders issued by the Board since July 1, 1972, there has been an increasing emphasis on the use of the federal courts to achieve the Board's law enforcement objectives. Civil court actions have been brought by the Department of Justice on behalf of the Board, and have included three joint actions with the Federal Aviation Administration when safety, as well as economic, rules have been violated. The Board and the Department of Justice have also cooperated in two criminal grand jury investigations involving rebating practices across both the Atlantic and Pacific. These rebating practices constitute a second major challenge to the Board and the prospect of potential criminal prosecutions is a new one for the Board.

The Board has also continued to use its authority to compromise civil penalties as an effective enforcement tool. In the past three fiscal years, over \$1.4 million in such penalties has been returned to the U. S. Treasury, and it is anticipated that the amounts collected will continue to increase in the future.

Finally, the Board has, for the first time, exercised its authority under 14 CFR 808, and summarily seized a Philippine Air Lines DC-10 alleged to be involved in a violation of U. S. law. This proceeding

is presently before the U. S. District Court for the Northern District of California to determine what, if any, penalty should be imposed (the lien on the aircraft having been satisfied by the posting of an adequate bond). U.S. v. One Philippine Air Lines DC-10 Aircraft, United States District Court, N.D. Cal., Civil Action No. C-74-1848-QJC.

CIVIL SERVICE COMMISSION

The United States Civil Service Commission supports and assists programs concerning the training, selection, and assignment of personnel. It is directly responsible for enforcing the Hatch Act, which bars Federal employees from participating in partisan politics.

The Commission is involved in a number of programs to improve personnel selection procedures. The Personnel Research and Development Center, for example, is helping the New York State Police to develop a new examination for state troopers.

The Bureau of Intergovernmental Personnel Programs has awarded grant funds and provided technical assistance to a number of state and local governments for validation projects. Typical is the grant to Minnesota that enables a private consulting firm to study the suitability of patrolman rating scales for assessing patrol officer performance. The project will result in a valid examination for police officers for approximately 40 communities in the St. Paul-Minneapolis metropolitan area.

A Fort Lauderdale, Florida, project will help to determine the job-relatedness and the validity of the police department's selection process. The Personnel Board of Jefferson County, Alabama, is re-validating a law enforcement selection test that will provide public employers across the nation with a demonstration of the validity of this selection process. The development and implementation of model personnel systems in New Jersey included an employee performance evaluation system for police officers and a police promotion system.

In 1973 the Commission awarded Intergovernmental Personnel Act funds to the Selection Consulting Center in California to conduct



major research into the validation of entry-level exams for police officers and fire-fighters and to conduct five-week training courses for local government representatives concerning job-relatedness and the law. Subsequent grants have continued and extended these efforts.

The CSC's Atlanta region has offered technical assistance and direct support to those jurisdictions which wish to develop new selection systems to predict the performance of police officers and firefighters.

Several mobility assignments--the temporary assignment of a state or local official to a Federal agency involved in law enforcement activities, or vice versa--have been arranged during the past two years. A key official of the New York City Police Training Academy was recently assigned to the staff of the Commission's Kings Point Executive Seminar Center for several months. The Director of CSC's Dallas Regional Training Center is serving as a part-time consultant for the City of Dallas Police Department.

An increasing number of state, local, and Federal law enforcement personnel participate in a wide range of Commission training courses in management and technical subjects. These courses are offered in the central and regional offices and at the Federal Executive Institute in Charlottesville, Virginia. Under an interagency agreement with the Law Enforcement Assistance Administration, the Commission's Automatic Data Processing Management Training Center provides training in two locations to local, state, and Federal law enforcement personnel in Automatic Data Processing as it applies to criminal justice systems. The Director of the Bureau for Training is actively involved with the

Consolidated Federal Law Enforcement Training Center as a member of the Center's Board of Directors.

CSC's Bureau of Training established a Legal Education Institute in February 1975 to provide continuing legal education for government attorneys. It also trains program administrators to recognize legal problems and to seek advice to better implement their own programs and to effectively enforce statutory obligations. The Institute seeks to emphasize the proper administration and enforcement of Federal enabling and procedural statutes by offering courses for new government attorneys, attorney-managers, and general counsels.

The Commission's Bureau of Recruiting and Examining and the nationwide network of area offices constantly attempt to improve the quality of Federal law enforcement personnel through better recruiting and examining practices. Last year the CSC moved the Border Patrol Agent Examination from the central office to the San Antonio Area Office; the examination now includes Customs Patrol Officers. The value of Spanish has been recognized by adding five points to the scores of applicants who speak Spanish fluently. For several years the Bureau has helped to recruit and examine candidates for the District of Columbia Police Department.

#### Hatch Act

The Commission enforces provisions of the Hatch Act that prohibit Federal employees in the Executive Branch from taking an active part in partisan political management or in partisan political campaigns. There are also prohibitions under the Act which apply to individuals employed by a state or local agency whose principle employment is an activity financed, in whole or in part, by loans or grants awarded by

the United States or by a Federal agency.

The Hatch Act is not a criminal statute. Enforcement is administrative, and penalties often involve suspension or removal from office. The Act supplements the criminal laws concerning the solicitation of political contributions by Federal officers and employees. As a matter of policy, Hatch Act cases involving solicitation and receipt of political contributions by Federal employees are referred to the Department of Justice by the Commission for consideration and appropriate action.

DEPARTMENT OF COMMERCE

The Department of Commerce provides technical, statistical, and other support to the nation's law enforcement and criminal justice system through the activities of its Social and Economic Statistics Administration, National Bureau of Standards, Office of Telecommunications, and National Fire Prevention and Control Administration. It also enforces specific laws, treaties, and regulations in the areas of marine fisheries, wildlife protection, and export administration. This work is carried out by the National Oceanic and Atmospheric Administration and by the Domestic and International Business Administration.

Support Activities

The Social and Economic Statistics Administration, through its Bureau of the Census, conducts surveys and censuses on a number of subjects related to crime and to the criminal justice system, under agreement with LEAA and others.

The National Crime Survey covers victimization on a national and central-city level. It measures the extent of certain major crimes (assault, burglary, larceny, auto theft, and robbery) to which citizens are subjected. Data is prepared on a quarterly basis.

The Commercial Crime Victimization Survey gauges the extent to which businesses have been victimized by burglary and robbery. It also shows the character and nature of these incidents and their victims. Data is quarterly.

The Criminal Justice Expenditure and Employment Survey shows annual public expenditures and employment for various criminal justice activities on Federal, state, and local levels. It provides LEAA with the percentage of block grants that the states must "pass through" to their local governments, as required by the Omnibus Crime Control and

Safe Streets Act of 1970.

The Bureau also conducts a National Juvenile Detention and Correction Facilities Census and National Prisoner Statistics Program. The former is an annual census; the latter a series of periodic and one-time efforts.

The Bureau continued to update its 1970 Criminal Justice Directory Survey, and it also researched the feasibility of a new Court Caseload Survey, the latter to be performed in fiscal 1976.

Bureau expenditures for crime and for criminal justice activities totaled \$14 million in fiscal 1975, up \$3 million from 1974 and \$2 million from 1973. Fiscal 1976 expenditures are estimated at well over \$15 million.

The National Bureau of Standards, through its Law Enforcement Standards Laboratory, assists enforcement and criminal justice agencies in the selection of superior equipment. It serves as a national center of competence in the field of equipment performance. The Laboratory was established by agreement with LEAA in 1971, and nearly all of its work is funded by that agency.

The Laboratory completed performance standards for portable, mobile and base station transmitters, mobile antennas, mobile receivers, and batteries for portable radios. It reported on automatic vehicle location equipment, electronic surveillance equipment and techniques, and digital communications terms and definitions.

The Laboratory completed standards for active and for passive night vision devices, for magnetic, mechanical, and mercury switches

for burglar alarm systems, and for handcuffs. Also completed were a guide to the selection and application of fixed surveillance cameras, a report on terms and definitions for intrusion alarm systems, and four reports on the testing of night vision devices.

Standards were developed for riot helmets, crash helmets, police body armor, ballistic shields and hearing protectors. A guide to the selection of hearing protectors and a report on police handgun ammunition were also completed.

The Laboratory developed standards for both walk through and hand-held metal weapon detectors, and for portable X-ray devices used for bomb disarmament. Two standard materials to be used by forensic scientists were also developed: a collection of 1974 auto paint colors and a standard sample of automobile headlight glass.

Finally, the Laboratory prepared ten reports on such diverse matters as emergency warning lights, sirens, patrol cars, police clothing and institutional buildings.

The Laboratory completed over 50 projects during fiscal years 1973-1975. It has some 80 projects still under way, nearly all of which will be finished in the next two fiscal years. Expenditures run at \$2 million a year.

The Office of Telecommunications runs the Federal Government's only central information center on the "911" emergency telephone number concept. Since it was established in 1973, the center has issued 80 publications and other documents and has responded to some 500 requests for information from state and local governments, telephone companies, civic groups, and others.

The National Fire Prevention and Control Administration, the Department's newest agency, plans a training program on the detection and investigation of arson. The program will start in fiscal 1976.

Enforcement

The National Oceanic and Atmospheric Administration enforces various marine fisheries and wildlife laws, treaties, and regulations. This work is carried out by the Administration's National Marine Fisheries Service, which is the only part of the Department that presently has its own arrest authority.

The Service develops and enforces fisheries regulations under 23 international agreements. In cooperation with the Coast Guard, it enforces observance by foreign fleets of the nation's contiguous fisheries zone and territorial waters. It also provides intelligence on foreign fishing off our coasts as required for enforcement and for international fishery negotiations.

The National Marine Fisheries Service enforces the provisions of the Marine Mammal Protection Act of 1972 which impose a moratorium on the taking and importing of marine mammals or marine mammal products, except as authorized for research and for educational purposes. It co-operates with the Fish and Wildlife Service in enforcing the Endangered Species Act of 1973.

In addition, the Service exercises law enforcement responsibilities under the Lacey Act (18 U.S.C. 43-44), the Black Bass Act (16 U.S.C. 851-856) and the Offshore Shrimp Fisheries Act (16 U.S.C. 1100b-1100b-10).

Enforcement activities during the period included:

	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u> <u>a/</u>
Seizures of foreign vessels:			
Number	1	6	10
Penalties (in thousands)	--	\$1,120	\$425 <u>b/</u>
Seizures of domestic vessels:			
Number	4	8	15
Penalties (in thousands)	\$374	\$238	\$582 <u>b/</u>
Marine mammal and endangered species violations	6	98	198

a/ Seizures through May 28, violations through March 31

b/ Not fully determined

The Service has a 65 man enforcement staff. It spends \$2 million annually.

The Domestic and International Business Administration, through its Office of Export Administration, enforces the Export Administration Act of 1969, as amended. Violations of the Act include exporting certain commodities or technical data without a valid license, reexporting without specific authorization, and other attempts to avoid export controls.

The Office investigates actual and alleged violations, and it refers cases meriting administrative or criminal proceedings to the Department of Commerce's General Counsel or to the Department of Justice. It may also issue orders denying future export privileges. Enforcement activities during the period included:

	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u> <u>a/</u>
Cases opened	236	241	203
Cases referred	19	53	15
Denial Orders	20	15	8
Value of seizures by Customs Bureau (in thousands)	\$227	\$148	\$173



The Office has encountered difficulties in enforcement because the majority of diversions of U. S. exports to prohibited destinations occurs in other countries and is brought to its attention after the fact. It does not have personnel overseas and has to rely on other agencies (usually the Department of State) to conduct necessary inquiries.

The Office has a 28-man enforcement staff and spends about \$1 million a year.

## COMMUNITY SERVICES ADMINISTRATION

Community Services Administration became the legal successor to the Office of Economic Opportunity as the anti-poverty agency on January 4, 1975.

Prior to this legislative change, in August 1973, Congress authorized several major programs under OEO to be transferred to other agencies. Programs concerning comprehensive health, drug and alcohol abuse, and Indians were referred to Department of Health, Education and Welfare; migrants, to Department of Labor; housing research and demonstration programs, to Department of Housing and Urban Development; and education projects, such as education vouchers, to the National Institute of Education in HEW.

These program transfers involved approximately \$386.6 million in funding; and the overall agency budget was subsequently reduced from \$790 million in 1973 to \$358.8 million in 1974. In the same period the Research and Development budget declined from \$65.6 million to \$4.4 million. CSA now has fewer correction and rehabilitation programs than it once had. It does, however, continue to support programs which deal with crime and its consequences or with the reduction of crime. Representative programs are examined below.

### Research and Development

Community-based corrections. CSA has entered a six-month, \$129,000 contract to design a model community corrections program. The pilot program will be modeled upon the New York state criminal justice system where 80 percent of the individuals involved are Puerto Rican, hispanic, or black. Most are deprived, disadvantaged, and poor. The CSA corrections program would aim at rehabilitation and reduction in recidivism. It will be tested by a community action agency in

New York. If the pilot program is successful, it could be implemented through the 883 CSA action agencies across the nation.

Project Newgate. OEO funded six Project Newgate programs in six states and spent approximately \$4.3 million over seven years. These programs are being continued but are being funded by the states themselves or by other agencies. Since June 1974--the phaseout date for OEO--three other states have initiated Newgate-style programs under different names. In these programs inmates begin college while still inside an institution, but afterwards they reside and attend classes on college campuses. They also receive psychological counseling.

Medfield Prison Project. In the fall of 1971, 30 inmates from the Norfolk prison in Massachusetts began working at the Medfield State Hospital under a \$50,000 OEO grant. They were trained as psychiatric attendants or in similar hospital jobs which could be pursued as careers after release. This expanded program now continues under funding by the Department of Labor and by several Massachusetts state agencies.

Vocational Training (Juvenile). Since July 1, 1973, OEO/CSA has allocated \$388,366 to Project 70001, operated by the United Distributive Education Clubs of America, Inc. This program places deprived young persons in specific jobs with private businesses (some of them major national firms) and trains them on the job. The young people enrolled in this project--approximately 750 male and female juveniles in 11 cities--have virtually the same socio-economic characteristics as juveniles confined in juvenile institutions. Some have minor juvenile records. DECA uses CSA funds to present the program to state and local governments for possible adoption and funding.

## Operating Programs

Offender Rehabilitation. In 1972 the Ross County (Ohio) Community Action Agency received a \$33,400 special regional incentive grant to mobilize funds and to organize other community agencies to cooperatively found a County Probation Department. The coordinator hired with the OEO/CSA funds not only was successful in founding the probation department but was instrumental in establishing a County Public Defender's Council, a Council on Alcoholism, and a Veterans Administration Volunteer Program. Funds and assistance came from the Ross County Commission, the city of Chillicothe, the Ohio Youth Commission, and the Law Enforcement Assistance Administration.

Drug Rehabilitation. The Community Renewal Team of Greater Hartford operates a Drug Program Center staffed with ex-addicts. A nearby hospital detoxifies addicts accepted into the program, and the center staff counsels them. Counselling includes job referral, placement in New Careers projects, etc.

The Mayor's Committee on Human Resources Development in Detroit continues the methadone-based anti-drug program which was begun under OEO funding. The project has treated 4,500 ex-addicts and continues to operate with \$1.1 million from HEW and \$800,000 from other sources, including the city. About 950 clients are currently undergoing treatment and counseling in the program. OEO's major drug programs went to HEW in 1973 when the health programs were transferred, but individual Community Action Agencies continue to operate programs either with their own or with other agency funds.

Ex-Offenders Reentry. Three Community Action Agencies in the Los Angeles, California area have basic reentry programs available to

ex-offenders:

Pasadena Community Services Commission operates a program of job placement, counseling, and other supportive services for ex-felons. An inmate is contacted before his release, and attempts are made to help him meet the conditions of his parole. This usually includes arranging for a job.

Long Beach Economic Opportunity runs two Halfway Houses. There is Hoffman House for women and Academic Halfway House for men. Both provide residence, meals, companionship and counseling until an ex-offender can make his own arrangements in the community.

Greater Los Angeles Community Action Agency has four programs concerned with rehabilitation of ex-offenders:

- ° Central City Bricks operates a halfway house which is open seven days a week, 24 hours a day. It maintains a liaison with prisons, assists inmates in obtaining release, and counsels them on job and other problems. Psychological counseling is made available.

- ° The Student Parole Program assists ex-felons in enrolling in college or in college-extension classes. It provides other basic supportive services.

- ° The Community Return Program helps inmates to meet conditions for release and to obtain outside employment. It provides supervision for inmates on temporary passes. The project also advocates employing former offenders in the criminal justice system.

- ° The Rio Rondo Area Action Council operates a Halfway House for drug abusers. It is under contract with the city of Los Angeles and serves both ex-offenders and self-referred persons.

#### Legal Services

In the near future Legal Services programs will be transferred to

an independent Legal Services Corporation created by Congress. Legal Services is still with OEO/CSA during the period of this report.

Legal Services legislation bars the use of funds to defend any person indicted or charged with a crime. The law does permit extensive services, including actual representation, for juveniles. Indians can also be defended on certain alcohol-related charges.

In fiscal year 1974, Legal Services was funded at \$73.5 million. Employing 1,200 attorneys, the program handled about 1,100,000 cases in 734 offices located in the fifty states, the District of Columbia, Puerto Rico, the Virgin Islands, Micronesian Trust Territory, and seven Indian reservations.

#### Research

Two Legal Services research centers devoted to juvenile laws and rights continued to operate during this period:

The National Juvenile Law Center, St. Louis, Mo., conducts basic legal research and provides advice to operating Legal Services offices with regards to juveniles. The center has published a basic manual on juvenile law and trial tactics and has assisted several states in re-drafting their Juvenile Codes. It was funded at \$198,000 in fiscal year 1974.

The Youth Law Center, San Francisco, Calif., mainly serves the Western states. It has specific programs on the rights of confined juveniles to treatment and rehabilitation. It was funded at \$72,000 in fiscal year 1974.

#### Operating Programs

Poor clients qualify for legal services for divorce, support payment,

and other civil matters. Inmates, adult and juvenile, are provided with these services in addition to others noted below. Examples of the inmate programs follow:

Pine Tree Legal Assistance, Portland, Maine. Attorneys interview inmates in state prisons to discuss their problems and to advise on matters such as family support, divorce, right to appointed counsel, habeas corpus petitions, etc.

Seattle King County Legal Aid Bureau, Seattle, Wash. Established early in 1975, this Legal Services program provides legal advice to adults and juveniles confined in correctional institutions. An administrative representative is also sent into prison for hearings on charges relating to rehabilitation, treatment, and prisoner behavior.

Legal Services of Greater Miami, Inc. obtained a landmark decision on the right to counsel of most misdemeanants. In an appeal to the Supreme Court, a decision was handed down that a charged person must be provided with legal counsel if he is likely to be incarcerated if convicted.

DEPARTMENT OF DEFENSE

Although the primary mission of the Department of Defense is to provide for defense of the nation against foreign aggression, the Department also contributes to the domestic law enforcement activities of Federal, State, and local civil authorities. Such assistance always is provided at the request of civil authorities.

Assistance During Civil Disturbances

The Army, as executive agent of the Department of Defense, plans for the commitment of all Federal military forces in civil disturbance operations. Although military forces were not actually employed during the period of this report, they were prepositioned on three occasions and alerted on another occasion for possible deployment.

Based on a threat assessment by the Department of Justice and pursuant to an agreement with the Deputy Attorney General, the Army developed contingency plans for the use of Federal forces to support the 1972 national political conventions. The objective was to preserve the democratic process while minimizing the potential for employing either Federal or National Guard forces. At Miami, the site of the Democratic convention, a small military liaison team was deployed to assist local law enforcement agencies in developing a coordinated tactical plan and to expedite the loan of essential military equipment. Mobile training teams were employed to present riot control techniques to Florida Highway Patrol personnel, and during the period from July 9-15, 1972, 2,700 Federal troops were prepositioned as back-up for the local law enforcement task force. Between conventions, additional training was presented to the local law enforcement task force and lessons learned were incorporated into the planning effort. Federal



troops were also prepositioned for the Republican convention, August 19-26, 1972. However, during each convention period the law enforcement task force controlled all civil disturbance activity without the deployment of military forces.

In January 1973, the Department of Justice determined that a potential for violence existed which could exceed the capability of local law enforcement agencies during the presidential inaugural. In response to a request for help the Army developed contingency plans to assist the Washington Metropolitan Police Department. Approximately 2,000 Federal troops were prepositioned in the Washington metropolitan area as a back-up for civil law enforcement agencies. However, all civil disturbance activity was quelled by civilian law enforcement agencies.

During the protracted disorders associated with the school integration effort in Boston, there similarly appeared to be a potential for violence exceeding the capability of local law enforcement agencies, and on October 15, 1974, approximately 1,700 Federal troops were placed on alert at Fort Bragg for possible deployment to Boston. When violence subsided two days later, the alert was ended.

#### Sale and Loan of Military Resources to Civil Authorities

Military resources may be sold to other Federal agencies under the provisions of the Economy Act of 1932 or loaned to Federal, State or local law enforcement agencies under the provisions of DOD Directive 3025.12. The most noteworthy loan of military equipment during the period of this report was to the Department of Justice law enforcement task force at Wounded Knee, South Dakota, from February 27 through May 15, 1973. Weapons, ammunition, protective clothing and equipment,

rations, and armored personnel carriers were provided. In addition, weapons, ammunition, riot control agents and protective equipment were loaned and later sold to the Bureau of Indian Affairs.

#### Civil Disturbance Orientation Course

The Army conducts a Civil Disturbance Orientation Course at Fort Gordon for senior military officers, law enforcement officials, and key civilian leaders in civil disturbance control planning and operations. The course is aimed at achieving a common background and mutual understanding between military and civilian representatives. Emphasis is placed on an awareness of civil disturbance problems as well as proper preventive, preparatory and control measures. Since July 1, 1972, a total of 2,994 students - 1,705 civilians and 1,289 military - have attended this one-week course.

#### Support to the F.B.I. in Combating Terrorism

In November 1972, the Attorney General and the Secretary of Defense agreed that "acts of terrorism" fall within the definition of civil disturbance. Subsequently the Army was designated as DOD executive agent for providing support to the F.B.I. in combating terrorism. It developed policy and procedures to provide this support. Arms, ammunition, riot control agents, and protective clothing and equipment have been sold to the F.B.I. under the provisions of the Economy Act. A joint Army/F.B.I. training program in the techniques of rappelling from a helicopter was conducted for 70 F.B.I. SWAT team personnel at Quantico, Virginia. In addition, close liaison is maintained with the F.B.I. to identify potential military support requirements.

### Explosive Ordnance Disposal Training and Support

The Department of Defense also provides explosive ordnance disposal support to Federal agencies under the provisions of the Economy Act and to civil authorities under the provisions of DOD Directives 3025.1 and 3025.10. This support includes training (by the Army) of law enforcement personnel in explosive ordnance reconnaissance and dealing with improvised explosive devices. The Department also provides for lessening hazards associated with explosive ordnance when such assistance is required in the interest of public safety or public relations. The Army, under an F.B.I. contract, operates the National Bomb Data Center which processes technical data on improvised explosive devices and distributes this data to civil law enforcement agencies as well as to the armed forces.

### Interdicting Illegal Imports

Support and assistance are provided to both the U. S. Customs Service and the Drug Enforcement Administration in interdicting illegal imports. To date, the Department of Defense has loaned aircraft, vehicles, communications equipment, electronic devices, sensors, weapons, ammunition and night vision devices to both agencies and has provided technical training in the operation of the more sophisticated equipment. From time to time the transfer of excess military equipment is arranged when it can be used by these agencies. Procurement assistance is also provided when required. In addition, military personnel serve as Customs inspectors for the inspection of DOD mail, cargo, carriers, and personnel in efforts to prevent or interdict the flow of contraband, including drugs, into the United States through military channels.

### Anti-Crime Assistance to District of Columbia

Through a March 1970, presidential directive to all Federal agencies to assist the District of Columbia government in combating crime, the Army was designated the Department of Defense executive agent to assist the District of Columbia in an anti-crime campaign. Since July 1972, military authorities have provided the District of Columbia government on a reimbursable basis helicopter hangar facilities at the Anacostia Naval Air Station, a helicopter re-fueling capability at Andrews AFB, training of five helicopter pilots at Fort Wolters and Fort Tucker, helicopter maintenance support equipment, two lens stabilizers for helicopter mounted TV cameras, and training for two polygraph examiners at Fort Gordon.

### Defense Industrial Facilities Protection

The Department of Defense also assists in protecting certain private industries and utilities considered vital to the national defense from a direct military support standpoint. This program is designed to safeguard 3,500 facilities and 250 company or system offices from bombings, sabotage, arson, civil disturbances, and other hostile or destructive acts through physical security and emergency preparedness measures. The assistance is advisory and may be accepted or rejected by industry management.

The Defense Supply Agency assumed responsibility for this function from the Department of the Army in 1973, consolidated its management with the Industrial Security Program, and redesignated it the Defense Industrial Facilities Protection Program.

### Drug Abuse by Military Personnel

Drug abuse continues to be a military as well as a civilian prob-

lem. To the extent that military authorities are able to curb in-service abuse, inhibit incipient drug habits and rehabilitate drug offenders before their separation from military service, the impact of this problem upon civilian law enforcement agencies is lessened. This indirect assistance to civilian authorities is accomplished by a multifaceted program that includes education, identification and treatment.

In addition to conventional criminal investigation procedures, drug abusers in the military are identified by two new programs. One is voluntary self-referral, encouraged by a policy that prohibits subsequent disciplinary action. The other involves mass involuntary urinalysis testing to detect recent use of a number of dangerous drugs. As in the case of self-referrals, those identified as abusers are treated and are exempt from disciplinary action.

## THE ENVIRONMENTAL PROTECTION AGENCY

The unlawful discharge of pollutants into the navigable waters of the United States, violations of state plans and emission standards for combating air pollution, and the shipment in interstate commerce and use of pesticides all fall within the jurisdiction of the Environmental Protection Agency.

The agency relies principally on administrative and civil sanctions and on voluntary compliance. Its rulings are backed in a number of instances by the sanction of criminal law.

### Background

The Environmental Protection Agency was established as an independent agency in the executive branch by Reorganization Plan No. 3 of 1970, effective December 3, 1970.

The greater part of its activities are devoted to implementation of the Clean Air Act, the Federal Water Pollution Control Act, and the Federal Insecticide, Fungicide, and Rodenticide Act.

### Enforcement Activities

The Assistant Administrator for Enforcement is the agency's principal adviser to the Administrator in matters pertaining to the enforcement of standards for environmental quality. He is responsible for the conduct of enforcement activities throughout the Agency.

Office of Water Enforcement. The Office of Water Enforcement provides program policy direction to the water pollution and water hygiene enforcement activities of the Agency.

Office of General Enforcement. The Office of General Enforcement provides program policy direction to Agency enforcement activities in the air, noise, radiation, pesticides, and solid waste program areas.

Office of General Counsel. The Office of General Counsel is directly responsible to the Administrator and provides legal services to all organizational elements of the agency with respect to the programs and activities of the agency.

Water

Federal Water Pollution Control Act. The Federal Water Pollution Control Act makes it unlawful to discharge pollutants from point sources into navigable waters unless the discharge is in compliance with the regulatory requirements of the Act, including the obligation to have a discharge permit. Section 309 allows EPA to issue administrative orders and to bring civil actions to correct violations. Civil penalties of as much as \$10,000 are possible. Criminal actions, with potential fines of as much as \$25,000 a day, one year imprisonment, or both, may be brought for willful or negligent violations. Civil and criminal penalties are also available for violations of Section 311, which is primarily directed at spills of oil and hazardous materials. In the 24-month period beginning December 1972, 22 civil cases and 15 criminal cases were filed and 455 administrative orders were issued for violations. There were 896 oil spills in which actions were taken by the Government, including 12 in which criminal fines were levied.

the Rivers and Harbors Act of 1899 (the Refuse Act) was an enforcement tool to abate pollution after the passage of the 1972 Federal Water Pollution Control Act Amendments. There were, however, still 12 civil actions and 64 criminal actions brought during this 24-month period pursuant to the statute.

Air

Clean Air Act. Under Section 113(c)(1) of the Clean Air Act,

it is a criminal offense knowingly to violate any requirement of an applicable state implementation plan established under section 110, after having been ordered by SPA to comply with it. It is also a criminal offense knowingly to violate any EPA standard for a new stationary source or for limiting hazardous pollutants.

First offenses are punishable by a fine of as much as \$25,000 per day of violation, by imprisonment of not more than 1 year, or by both.

Numerous other enforcement options are available to the Administrator under the Clean Air Act. After a 30-day notice he may issue an administrative order requiring compliance, or he may commence a civil action for injunctive relief against any person who violates a requirement of a federally approved implementation plan or other emission limitations.

During the December 1972 - November 1974 period, 111 administrative orders were issued against stationary source violators, 34 consent orders were signed, and 10 actions were referred to U. S. Attorneys. Enforcement against mobile source violations included 13 violations referred to U. S. Attorneys and 50 administrative orders.

#### Pesticides

Under Section 12 of the Federal Insecticide, Fungicide, and Rodenticide Act, it is unlawful to distribute in interstate commerce a pesticide that has not been registered with EPA or one that is adulterated or misbranded. Use of a pesticide in a manner inconsistent with its prescribed label is also prohibited. Section 14 provides that violations of the Act's requirements may result in civil penalties of as much as \$5,000. Knowing violations are misdemeanors punishable



by fines of up to \$25,000, one year imprisonment, or both.

EPA may cancel a pesticide registration when the label of the product, if complied with, is inadequate to prevent 'unreasonable adverse effects on the environment.'

During the December 1972 - November 1974 period, 804 formal civil and criminal actions were initiated, 114 criminal fines were obtained, and one jail sentence was imposed for the misuse of a rodenticide.

FEDERAL COMMUNICATIONS COMMISSION

The FCC is an independent agency created by Congress to regulate non-Federal, interstate, and foreign communications by wire and radio. It is charged with enforcement of the Communications Act of 1934, as amended; the Communications Satellite Act of 1962; and rules and regulations it has issued.

This regulation includes the allocation of frequency space in the radio spectrum, a limited natural resource, for the use of myriad services in the safety and special radio services (such as aviation, marine, public safety, industrial, and amateur and citizens), common carrier services (such as point-to-point international telegraph-telephone, and satellite communication), and broadcast services (such as amplitude modulation and frequency modulation radio ultra high frequency and very high frequency television, television translator, instructional television fixed, experimental television, and remote pickup).

Additionally, millions of radio frequency devices are regulated. Although not individually licensed, they are like miniature radio stations operating at low power in the radio spectrum. Examples of such devices are diathermy machines, microwave ovens, garage door openers, telemetering devices, wireless microphones, walkie-talkies, and hundreds of other types of low-power and restricted radiation devices which operate under general authorizations and are potential sources of interference.

Enforcement

Enforcement of interstate and foreign common carrier wire and radio communications rules is achieved chiefly through civil administrative proceedings. These include adjudicatory hearings, cease-and-desist orders, and forfeitures. Commission investigations of alleged or suspected offenses are conducted principally by the Field Operations Bureau and the Complaints

and compliance Division of the Broadcast Bureau. The information is used mainly in administrative proceedings.

Sometimes the Commission learns of transgressions of the Communications Act or of the Commission's rules where the authorized administrative sanctions are inadequate. In those instances, the matter may be referred to the Department of Justice.

Moreover, the evidence may indicate violations of the U. S. Criminal Code, such as use of a counterfeit radio station license--18 U.S.C. 1001 or violations specifically related to the misuse of radio: 18 U.S.C. 1304 (broadcasting lottery information), 1343 (fraud by wire or radio) and 1464 (broadcasting obscene, indecent or profane language).

Criminal Code violations may be used in civil administrative proceedings or referred to the Department of Justice, which frequently prosecutes radio-related offenses, such as fraudulent contest or payola, independent of the Commission.

A major case referred to the Department of Justice in fiscal year 1973 resulted in the defendants' conviction for distributing counterfeit radio station licenses. Defendants were also convicted, inter alia, for making false statements in a radio license application, for violating the mail fraud statute, for unlicensed radio operation, and for conspiracy. Three additional referrals were made to the Department of Justice in fiscal year 1973 for criminal prosecution involving unlicensed radio operation or violation of the Commission's Rules.

In fiscal year 1974, 23 cases involving unlicensed operations, rules violation, or radio transmissions containing profanity or obscenity (18 U.S.C. 1464), were forwarded to the Department for prosecution. Convictions were obtained in most of these cases.

Fiscal year 1975 shows referrals continuing at about the same rate. One case involved seven truck drivers in Iowa, convicted for either unlicensed operation or for operating contrary to the Commission's rules. Pending litigation at the Justice Department concerns cases to enforce Commission cease and desist orders. These cases will be handled through civil injunction proceedings.

Those regulatory functions most relevant to criminal law enforcement are the licensing of radio stations operated by State and local law enforcement agencies, allocation of radio frequencies for such services, and authorization of the equipment they use.

#### Police Radio Communications

Among the more than fifty different types of radio communications services regulated by the Commission through its Safety and Special Radio Services Bureau is the Police Radio Service. Stations in the Police Radio Service are used for two-way radio communications between central headquarters to squad cars, motorcycle and scooter units, and foot patrols. Currently, there are more than 28,000 police radio stations in operation, a 58 percent increase since fiscal year 1971 evidencing a continued demand for police radio service frequencies.

The Commission has responded to these needs. In fiscal year 1974, additional frequencies in the 470-512 MHz band were allocated for public safety use. A continuing effort to provide more frequencies for mobile radio has resulted in expanded use of UHF television channels for public safety in and around 13 of the nation's largest cities. A new concept in allocating these frequencies was adopted in

UHF sharing programs for Miami, Houston and Dallas. Public safety users are not restricted to a set group of frequencies but instead are permitted to expand to other frequencies as needed. A recent rulemaking (Docket 18262) provides additional frequencies in the 806 to 952 MHz band for public safety use. However, the effective date of this docket has been stayed pending resolution of legal challenges. In fiscal year 1975 a rulemaking reallocated channels in New York City and Los Angeles to provide more frequencies for taxis. This creates a tangential benefit to police when taxi drivers use mobile radio to provide notification of crimes in progress or emergencies.

#### General Law Enforcement Communications

The Commission has proposed or completed a number of actions since fiscal year 1971 relating to general law enforcement needs in the communications field. Some of the key actions are:

Emergency Call Boxes. The Commission in fiscal year 1975 proposed rules which would permit call box systems of unlimited size in the public safety radio services. These boxes are used by the public to summon emergency aid.

Remote Alarm Signalling. In fiscal year 1975, the Commission released new rules which expanded the tone and impulse signalling permitted in the Public Safety Radio Services. These rules will assist in the utilization of systems which provide remote signalling of alarms set off by intruders, fires, and other forces.

Vehicle Locator Systems. In collaboration with the Law Enforcement

rules which provide frequencies and technical standards in the 900 MHz band for wide and medium bandwidth automatic vehicle location systems. Provision was made for rule modifications which might be necessitated by technological advancements.

Intersystem Communications. One of the communications problems facing police is the inability to communicate from one police jurisdiction to another. The Commission will consider in fiscal year 1975 a proposal to institute a nationwide intersystem police emergency frequency.

Assistance to License Applicants. The Commission has made personnel available to advise police representatives on regulatory requirements to aid in communications system planning. Commission personnel also assist in preparing license applications.

#### Liaison with LEAA

In fiscal year 1975, the Commission established formal liaison with LEAA through the creation of its Coordination Committee, whose purpose is to maintain an information flow between the two agencies to assure that LEAA communications projects will be in accordance with the FCC regulatory policies prior to the expenditure of public funds. This liaison will also provide the FCC staff with information on LEAA's communications plans and requirements to better coordinate and accommodate the law enforcement communications needs.

#### Investigative Functions

To preserve the utility and integrity of all radio communications, including critical police messages, the Commission's Field Operations Bureau investigates and attempts to eliminate all sources of interference, both inadvertent and intentional. Moreover, up

the Department of Justice, field engineers assist in locating, through radio direction finding techniques, persons using radio to commit crimes. In two recent cases, Citizen Band radio was being used in extortion cases. The suspects were apprehended through the direct efforts of the FCC field staff.

In cooperation with the FBI, Commission field personnel investigate allegations of unauthorized interception, and divulgence or illicit use of law enforcement radio communications, a violation of Section 605 of the Communications Act. Typical of such violations is the monitoring of police and public safety radio messages by tow truck operators who then might converge on the scene of automobile collisions.

Field personnel also investigate violations of equipment marketing laws, and appear as expert witnesses in cases involving radio communications. A major case in fiscal year 1975 resulted in a permanent injunction against a corporation which was manufacturing and distributing intruder alarm systems which were interfering with essential government communications.

#### Expenditures

Because these programs are integrated within the Commission's comprehensive regulatory functions, budgetary figures specifically distinguishing those activities having a direct impact on the criminal law enforcement activities of Federal, State or local entities are not available.

FEDERAL DEPOSIT INSURANCE CORPORATION

The Federal Deposit Insurance Corporation (FDIC) was created by the Banking Act of 1933 to protect depositors in the nation's banks, to help maintain confidence in the banking system, to promote safe banking practices, and to enforce compliance with applicable laws. The Corporation accomplishes these objectives through the Federal deposit insurance program in which approximately 14,520 of the nation's banks participate, and through the regulation and supervision, at the Federal level, of approximately 8,746 FDIC-insured State banks which are not members of the Federal Reserve System.

The Corporation is managed by a three-man Board of Directors: a Chairman, Director, and the Comptroller of the Currency who serves ex officio as a member. The Chairman is one of two members appointed directly to the Board of Directors by the President of the United States, with the advice and consent of the Senate, for six-year terms. He is elected Chairman by the Board. The Comptroller of the Currency, who is also appointed by the President with the advice and consent of the Senate, serves a five-year term. The Board of Directors appoints examiners who conduct bank examinations. The Corporation's examination powers are delegated to 14 regional offices. Each is headed by a Regional Director who reports to the Director of the Division of Bank Supervision in Washington, D. C.

The Corporation has some regulatory powers over all FDIC-insured banks. It exercises general supervisory authority only over insured State banks which are not members of the Federal Reserve System. Together with the State banking departments which charter them, the Corporation



regularly conducts examinations of these banks. Special investigations are also made of applications for Federal deposit insurance, mergers, establishment of branches, and other actions which require prior approval of the Corporation.

Each year the Corporation conducts more than 7,000 bank examinations. It determines the condition of banks, evaluates bank management, and attempts to correct unsound bank practices and violations of laws and regulations.

#### Criminal Violations

When alleged criminal violations are uncovered during investigations and examinations, or when they are disclosed to FDIC by insured banks, they are referred to the appropriate U. S. Attorney. The Corporation reported 1057 possible criminal violations in calendar year 1972, 1196 in calendar year 1973, and 1446 in calendar year 1974. Reported offenses included teller and vault cash shortages, misapplication and embezzlement of bank funds, check "kiting", financial statements which were falsified in order to obtain loans, false entries on bank records, and commissions or gifts that were given to obtain loans.

#### Security Measures

Banks are examined to assure they have adequate internal controls to prevent or deter defalcation, fraud, and other criminal activities perpetrated by bank employees or by outside agents.

Under the Bank Protection Act of 1968, the Corporation has issued regulations governing the installation, maintenance, and operation of bank security devices. Its regulations require adequate security procedures to discourage robberies, burglaries and larcenies, and to assist

in the apprehension of persons committing these acts. In 1973 the regulations were amended to cover cash dispensing and receiving machines. The 1973 amendment also provided minimum standards for safe deposit box storage. It also provided more definite standards for the construction of bank vaults. Compliance with these regulations is checked when applications for insurance are reviewed or when regular examinations are conducted.

#### Removal Proceedings

In addition to enforcing criminal statutes by referring possible criminal violations to the appropriate U. S. Attorneys, the Corporation has the authority to initiate administrative enforcement proceedings under Section 8(g) of the Federal Deposit Insurance Act. It can initiate proceedings for the suspension or removal of officers, directors, and other persons who participate in the management of State insured, nonmember banks. The Corporation can order the removal proceedings to begin if an officer is charged with committing or participating in a felony that involves dishonesty, a breach of trust in any information, indictment, or a complaint authorized by a U. S. Attorney.

Three persons were ordered suspended during 1974. Ten other individuals were charged with felonies involving dishonesty or breach of trust. They voluntarily resigned or suspended themselves from their positions with State-insured nonmember banks when the Corporation indicated it might initiate suspension proceedings.

One director of a State-insured, nonmember bank was removed pursuant to an order issued under Section 8(e) of the Federal Deposit Insurance Act, which authorizes removal of bank personnel who commit violations of law resulting in loss to a bank or its depositors.



FEDERAL ENERGY ADMINISTRATION

Since the publication of the Attorney General's First Annual Report on Federal Law Enforcement, the nation's energy crisis prompted Congress to pass the Emergency Petroleum Allocation Act in November 1973, and the Federal Energy Administration Act in May 1974. The Federal Energy Office (FEO) was created by Executive Order 11748 on December 6, 1973. In June, 1974, the Federal Energy Administration, created by the FEA Act, succeeded FEO as the agency responsible for enforcing the petroleum price regulations which were originally promulgated by the Cost of Living Council and subsequently adopted, along with newly created petroleum allocation regulations, by the FEO in January, 1974.

Compliance and Enforcement

Perceiving that as a new organization it lacked sufficient investigatory manpower properly to fulfill its compliance and enforcement responsibilities, the FEO executed a Memorandum of Understanding with the Internal Revenue Service (IRS) on December 26, 1973. This Memorandum transferred all FEO compliance and enforcement responsibilities to the IRS from December 26, 1973, to June 30, 1974. Under the terms of this agreement, the IRS immediately detailed 300 auditors and investigators to recruit, train, and supervise a staff of 1,000 auditors, investigators, and clerical employees. At the expiration of the Memorandum of Understanding, these personnel were transferred to the FEA.

Early during the compliance program under FEO/IRS, compliance and enforcement efforts focused on violations which were readily apparent, easily remedied, and most often the subject of consumer complaints--violations, for example, at the wholesale and retail levels of distribution.

Yet special circumstances sometimes dictated a narrowly focused compliance effort. Even before the FEO took over price-control authority, IRS investigators had determined that widespread pricing violations involving propane, then in critically short supply, had apparently existed at the wholesale level and should become the subject of a distinct compliance project. A force was assigned to investigate propane pricing violations and presently is continuing its investigation.

Refinery Audit and Review Program. Having determined that the application of FEO regulations to the exceedingly complex transactions of major integrated oil companies requires a high level of expertise and effort, a force of auditors was assigned by IRS to 30 major refineries. They provided in-depth review of records which reflect each company's level of compliance with FEO pricing regulations.

Two other special projects were instituted by the FEA in the closing months of 1974 after it had assumed complete responsibility for its compliance effort. One project was designed to determine whether electric utilities were overcharged by the suppliers of fuel oil. The project resulted from normal compliance investigations which revealed that some utilities had paid abnormally high prices for fuel oil, particularly during the Arab embargo, and were passing these costs down to the consumers of electricity. The investigation is being continued conducted through the FEA's internal administrative processes and, in some instances, with the cooperation of the Department of Justice, the U. S. Customs Service, and other agencies.

The other FEA-initiated special project involved an investigation of possible overcharges by independent crude oil producers.

This project was a large-scale effort to determine whether producers were properly accounting for "old" crude oil, which is price-controlled, and "new", "released", and "stripper well" crude oil, which is not price-controlled.

Late in 1974 FEA instituted a substantial reordering of the priorities of its compliance program. Efforts were directed away from investigations at the retail level, where competition rather than price-controls was beginning to determine prices, and toward audits aimed at earlier stages in the distribution stream. This refocusing of FEA priorities was dictated in part by the realization that investigative man-years were spent more effectively at the refiner and producer levels, where the potential magnitude of over-charges is great, than at the retail level.

Several studies of compliance and enforcement manpower needs were conducted by the FEA National Office between June and October 1974. Consequently, several actions were initiated to deal with long-standing and newly-identified problems involving compliance targets, compliance strategy, reporting systems, and regional staff distribution.

A computerized case control system was implemented to receive data on cases in progress in the regions. This data included the level of distribution involved, the type of product, the nature of the suspected violation, the action taken, and the final results. Regional manpower and situation reporting systems were also established.

By April 1, 1975, FEA compliance and enforcement efforts had resulted in direct refunds or in price reductions of approximately \$161 million, and adjustments in "banked" costs (unrecouped costs available for pass-through in future months) of \$418 million. Unresolved cases,

in which a notice of probable violation had at least been issued, were estimated to involve approximately \$179 million in refunds, rollbacks, or price adjustments if violations are eventually found to exist and if the estimate of amounts involved is borne out by the facts. By April 1, the national office's surveillance of the allocation program had resulted in the direct redistribution of 649 million gallons of petroleum products valued at \$151 million. The FEA had collected \$898,000 in civil penalties through consent agreements and had referred 108 civil and 14 criminal cases to the Department of Justice. Penalties totalled \$53,705 and \$73,300, respectively.

## FEDERAL HOME LOAN BANK BOARD

The Federal Home Loan Bank Board is responsible for the organization, supervision, and regulation of Federal savings and loan associations under authority of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464 et seq.). The Board is the operating head of the Federal Savings and Loan Insurance Corporation ("FSLIC"). Under Title IV of the National Housing Act ("Act"), as amended (12 U.S.C. 1724 et seq.) it has broad supervisory and regulatory authority over FSLIC insured State-chartered associations and their parent holding companies and affiliates. In addition, the Board administers a system of twelve regional Federal Home Loan Banks created pursuant to the Federal Home Loan Bank Act, as amended. (12 U.S.C. 1421 et seq.).

In fulfilling its primary role of administering the said Acts, the Board is engaged continuously in the process of examining 4,141 savings and loan associations.

The Board considers the examination process as the first step in the prevention of violations of statutes or regulations, and for the elimination of unsafe and unsound industry practices. The Board has the authority to issue cease and desist orders against associations, to suspend and remove officers and directors from further participation in associations' affairs, and to terminate insurance of accounts. Cases involving possible criminal activities--embezzlements, misapplications of assets, and falsifications of documents and records--are referred by the agency to the Department of Justice.

### Examinations and Supervision

The Board's examination of savings and loan associations is



carried out by its Office of Examinations and Supervision. The examination evaluates the quality of management and performance and investigates an association's objectives, policies, procedures, and internal controls. It checks the association's compliance with Federal and State laws and regulations, and with the institution's own charter and by-laws. The examination process is designed to pinpoint probable trouble areas where general standards of conduct and uniform requirements can be enforced promptly.

In fiscal year 1974, the Board had 571 examiners in the field, compared with 504 in fiscal year 1973. Field office expenses were \$14,003,196 in fiscal year 1973 and \$16,084,952 in fiscal year 1974. The expenses of the Washington Office of Examinations and Supervision amounted to \$2,321,686 in fiscal year 1973 and \$2,113,440 in fiscal year 1974.

There were 1,723 examinations of Federally chartered associations in fiscal year 1973 and 1,853 in fiscal year 1974; examinations of insured State-chartered associations totalled 1,419 in fiscal year 1973, compared with 1,364 in fiscal year 1972.

The Board also conducts examinations to determine the eligibility of State-chartered institutions for insurance of accounts (14 in fiscal year 1973 and 20 in fiscal year 1974). It examines affiliates of insured institutions (459 in fiscal year 1973 and 767 in fiscal year 1973 and 46 in fiscal year 1974). Examination fees paid to the Board, excluding eligibility examinations, came to \$10,738,654 in 1973 and \$11,716,894 in 1974.

For the most part, supervision is handled by the Supervisory

Agents in each of the twelve regional Federal Home Loan Banks. They use the data contained in the periodic reports filed by the institutions, as well as the information found in the reports of the Office of Examinations and Supervision. The Supervisory Agents seek to draw the management's attention to any violations of laws or regulations and to any unsafe or unsound industry practices in order that they may be eliminated.

#### Enforcement

Under Section 407(m)(2) of the Act (12 U.S.C. 1730(m)(2)), designated representatives of the FSLIC may, in connection with examinations of insured institutions, inquire into any matter which concerns the affairs or ownership of any such institution or affiliate. The FSLIC has the authority to subpoena witnesses and documents and to take testimony under oath. When lack of compliance with the appropriate statutes and regulations is demonstrated, when safe and sound industry practices are not maintained, and all relevant information cannot be obtained by using ordinary examining techniques and supervision, formal examinations are conducted under the direction of the Office of General Counsel. Equipped with the evidence of these investigations, the Board may institute administrative cease and desist proceedings. It may commence termination of insurance proceedings against associations or removal proceedings against individual officers and directors. The FSLIC has the authority, under Section 408(h)(2) of the Act, to make such investigations as it deems necessary to determine whether the Savings and Loan Holding Company Act (12 U.S.C. 1730a) and other

regulations are being complied with by savings and loan holding companies and their affiliates. Criminal sanctions may be imposed for violation of said Section 408.

In 1973 the Board's Compliance Division, with 15 attorneys, conducted 46 formal examinations; in 1974, the same number of attorneys handled 55 formal examinations.

Cease and desist orders issued by the Board totalled 10 in fiscal year 1973 and 16 in fiscal year 1974; suspensions, removals and prohibitions totalled, respectively, two and five during the same periods. Ninety-four criminal referrals were sent to the Department of Justice in fiscal year 1974. Approximately 90 percent of these referrals involved small shortages of funds; eight involved possible violations by officers and directors of insured institutions. Detailed information was provided to the Department of Justice in these instances. To date, four have resulted in indictments and one in a conviction.

FEDERAL MARITIME COMMISSION

The Federal Maritime Commission is entrusted with the responsibility of regulating the waterborne foreign and domestic offshore commerce of the United States.

The Commission was established in 1961 by Reorganization Plan 7, 75 Stat. 840. The basic authority of the Commission is derived from the Shipping Act, 1916, 46 U.S.C. 801-842; the Merchant Marine Act of 1920, 46 U.S.C. 843-848; the Merchant Marine Act of 1936, 46 U.S.C. 1101-1294; the Act of November 6, 1966, P.L. 89-777, 80 Stat. 1356; and the Water Quality Improvement Act of 1970, 33 U.S.C. 1151-1165.

The Commission accepts or rejects tariff filings by carriers engaged in foreign commerce; regulates the rates and fares of common carriers engaged in domestic trade; and investigates discriminatory rates, classifications, and practices in domestic offshore and foreign commerce. The Commission enforces statutory prohibitions against the misleading classification or misdescription of goods and against the falsification of or the failure to submit required reports. The Commission also enforces the requirements for filing for approval of anticompetitive and other agreements among common carriers by water, terminal operators, and independent freight forwarders. It insures that owners and operators of passenger vessels assume financial responsibility for the indemnification of passengers in case of injury

or criminal penalties. The Commission is empowered to make claims for violations carrying civil penalties. It cooperates with the Department of Justice to prosecute violations which involve both civil and criminal penalties. The Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, were amended by Congress in 1972 (P.L. 92-416, 86 Stat. 653) to encourage compromise settlements for violations of the Shipping Statutes. This amendment mitigates needless litigation in overcrowded Federal courts by converting most of the penalties imposed for violations of the statutes from criminal to civil penalties. Criminal violations occurring before August 29, 1972, will be referred to the Department of Justice for prosecution until the Statute of Limitations runs out in 1977. Most violations that take place after the effective date of the amendment and involve civil penalties will be settled by the Commission.

#### Activities

Oil Pollution. Since April 3, 1971, applications for Certificates of Financial Responsibility have been received for 32,837 vessels; 28,658 vessels were actually certified. As of March 31, 1975, 22,297 remained certified.

Passenger Vessel Certification. During the fiscal years 1973 and 1974, the Commission approved 113 applications for the issuance of Performance and Casualty Certificates; it revoked 49 Certificates.

The benefit of the law to the passenger public was demonstrated when an owner suddenly withdrew his vessel from the United States cruise trade. The passengers have recovered their deposits and fares from the owner's guarantor.

During fiscal year 1975 the Commission, through the U. S. Attorney

in New York, obtained a consent order requiring a company that had not established the required financial responsibility for indemnification of passengers to refrain from advertising, arranging, or offering passage on a vessel not certificated by the Commission. The defendants were also required to deposit interim security to cover deposits and fares received as consequence of advertising which was done in violation of the statute.

Enforcement. The Commission has a small staff assigned to four field offices. Among other duties, this staff investigates violations of the Shipping Acts and violations of the Commission's rules and regulations. The major areas of investigation are in shipper and carrier malpractices, in freight forwarder violations, and in failure by carriers to adhere to the rates and terms of their published and effective tariffs.

Statistics for fiscal year 1973 and 1974 indicate that the shift from criminal prosecution to settlement of civil claims is working well. In fiscal year 1973 the Commission made 11 referrals to the Department of Justice, initiated 21 claims, and collected \$83,500 in settlements. In fiscal year 1974 the Commission referred eight cases to the Department of Justice, initiated 24 claims, and collected \$100,000 in settlements.



FEDERAL POWER COMMISSION

The Federal Power Commission has been delegated the responsibility by Congress to administer the Federal Power Act (16 U.S.C. 791(a) et seq.) and the Natural Gas Act. (15 U.S.C. 717(a) et seq.). The Commission issues permits and licenses for non-Federal hydroelectric power projects and regulates the rates, and other attendant aspects of interstate wholesale transactions in electric power and natural gas. It issues certificates authorizing interstate sale of gas, and the construction and operation of interstate pipeline facilities. All regulated companies, except natural gas producers, must comply with a prescribed system of accounts which is enforced and maintained by regular audits. The Commission also oversees the securities, mergers, consolidations, acquisitions, and accounts of the electric utilities subject to its jurisdiction.

In the event of an alleged violation of the Federal Power or Natural Gas Acts, or of its own regulations, the Commission is authorized to take remedial administrative action. The Commission has found no need to create a special bureau or office to deal with these violations. There has been no specific allocation of Commission funds for this purpose, nor has it been necessary to procure grants-in-aid or other financial assistance from sources outside the agency. No separate division of the agency is needed because enforcement of the enabling acts and of the Commission Regulations is the main thrust of the Commission's responsibility and is handled as part of its regular duties.

The Commission can also choose to deal with violations by



seeking civil action in a district court of the U. S. A court injunction may be necessary to assure compliance with the Commission's orders. The Commission may also transmit evidence of such violations to the Attorney General who, according to his discretion, may commence criminal proceedings. The Federal Power and Natural Gas Acts provide that a willful and knowing violation of the Act or the Regulations is punishable by a fine of not more than \$5,000, by imprisonment for not more than two years, or by both. The Federal Power Act also provides for forfeiture penalties through civil actions in the United States District Courts.

It is the practice of the Commission to refer civil and criminal matters to the Attorney General when it determines there may have been acts or practices which might have constituted a violation of the Federal Power or Natural Gas Acts, or of other relevant statutes. Prior to taking this action, however, it is within the province of the Commission to fashion and implement remedial measures which deal directly with these violations.

Experience has demonstrated that the Commission can often effect compliance with the Acts and Regulations through administrative means, such as an order to show cause or an investigation, rather than refer the matter to the Attorney General for possible criminal prosecution or civil forfeiture. 1/ The history of the Commission's

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1/ The 1972 Report incorrectly states at page 499 that the Commission has not referred a criminal matter to the Attorney General for three decades. In fact, criminal and civil matters have been referred to the Attorney General throughout this period. Two such matters were referred to the Attorney General in 1973.

regulatory programs shows, in fact, that this is the best method of obtaining compliance with the Acts and regulations.

The order to show cause requires the respondent to demonstrate under oath the reason why he should not be held in violation of the statutes or regulations because of a particular act or omission. In the current reporting period (1973-1975) 23 such orders were issued. Once an order to show cause is issued, a response is filed, a hearing is held, and a decision is issued by an administrative law judge. If necessary the Commission will make a final determination. If there has been a violation, the respondent will be ordered by the Commission to effect compliance.

Other effective administrative means of enforcement include investigations and complaints, both of which can be initiated either by the Commission or by a request from outside the agency. Since fiscal year 1972 the Commission has begun many investigations and complaints, six of which involved possible criminal sanctions. One proceeding examined the safety of a dam; another investigated the causes of a major accident at a liquefied natural gas facility. Problems with compliance also arise in the normal course of regulatory activity, such as in certificate issuing or rate reviewing proceedings. During the current biennium 13 such actions were brought to the Commission's attention and are in the process of being resolved.



## FEDERAL RESERVE SYSTEM

One of the purposes underlying the establishment of the Federal Reserve System by Congress in 1913 was to establish a more efficient supervision of banking in the United States. To that end, the Federal Reserve System is one of several governmental bodies which has been given responsibilities for regulating the structure and operations of the United States banking system and certain related activities.

### Background

The divisions at the Board of Governors of the Federal Reserve System with primary responsibility for the enforcement of Federal criminal laws are the Division of Banking Supervision and Regulation, the Office of Saver and Consumer Affairs, and the Legal Division. The Board of Governors has delegated to the Federal Reserve Banks its authority to conduct field examinations of the State member banks, and regular examinations of each of the 1,074 State member banks are conducted.

The Federal Reserve System reports possible violations of Federal criminal statutes to the Department of Justice under the supervisory responsibilities delegated to it under various Federal laws. Alleged violations involving under \$50,000 are referred directly to the appropriate U. S. Attorney's Office. Alleged violations involving more than \$50,000 are referred dually to the appropriate U. S. Attorney and to the Department of Justice Criminal Division in Washington. The one exception to this procedure concerns allegations of political contributions by financial institutions, which are referred dually regardless of dollar amount.

The Federal criminal laws that may relate to financial institutions

include: 18 U.S.C. 655 (theft by bank examiner), 18 U.S.C. 656 (misapplication), 18 U.S.C. 1001 (false statements), 18 U.S.C. 1014 (fraud in loan and credit applications), 18 U.S.C. 610 (political contributions by financial institutions), 12 U.S.C. 630 (criminal violations by foreign banking corporations), 12 U.S.C. 1847 (willful violations of the Bank Holding Company Act), Regulations G, T, U and X promulgated by the Board of Governors of the Federal Reserve System, 12 CFR 207, 220, 221 and 224 (securities credit requirements for banks, brokers, dealers and others under the Securities and Exchange Act of 1934) and Regulation Z, 12 CFR 226 (Truth-in-Lending as applicable to State member banks).

The Federal Reserve System also enforces provisions of the Bank Protection Act of 1968 (12 U.S.C. 1881) relating to the installation, maintenance, and operation of security devices and procedures for the purpose of discouraging burglary, robbery, and larceny. In this respect, the regular bank examination process includes checks of a bank's compliance with the regulations issued pursuant to this Act.

Criminal referrals from the Federal Reserve System to the Department of Justice involving, among other things, the disappearance of cash, checks, or securities, misapplication, theft of funds, or criminal violations of the Bank Holding Company Act totaled 738 in calendar year 1971, 889 in calendar year 1972, 964 in calendar year 1973, and 923 in calendar year 1974.

#### Examination Process

Bank examinations are conducted either on a concurrent or joint basis with State banking supervisory authorities, or by alternate independent examinations made by the Federal Reserve System and State banking

authorities. Copies of Federal Reserve System examination reports are furnished to State authorities.

Broadly stated, the basic objectives of bank examinations and other supervisory processes are to:

1. Foster and maintain sound and solvent conditions in order to protect depositors' funds and to assure adequate banking facilities to business and to the public;
2. Analyze and determine the character of bank operations and management;
3. Take such steps as are necessary or appropriate to correct unsatisfactory or hazardous conditions in individual banks; and
4. Foster the development of an effective banking system in order to facilitate the flow of trade and commerce.

Pursuant to the Bank Holding Company Act of 1956, as amended, the Federal Reserve System is authorized to examine registered bank holding companies, and in the course of such examinations, the System utilizes the same processes and objectives applicable to banks.

#### Removal Powers

Section 202(e) of the Financial Institutions Supervisory Act of 1966 (12 U.S.C. 1818(e)), as amended, grants to the Board of Governors jurisdiction to remove an officer or director of a State member bank from his position with such bank. Removal can be effected upon proof that such individual has committed a violation of the regulation, that he has participated in an unsafe or practice or has breached his fiduciary duty where, as a result of such violation, practice, or breach of duty, the bank has suffered or will

suffer substantial financial loss or other damage. Removal results when such practice, violation, or breach of duty involves dishonesty on the part of the officer or director. Removal powers are also vested with the Board of Governors with respect to directors or officers of national banks upon certification by the Comptroller of the Currency to the Board of Governors.

#### Cease and Desist

Under the provisions of the Financial Institutions Supervisory Act of 1966, as amended in 1974 (12 U.S.C. 1818), the Board of Governors of the Federal Reserve System has issued cease and desist orders against State member banks and bank holding companies in order to curtail unsafe and unsound banking practices, or violations of statutes and orders, or to enforce the regulations of the Board of Governors. Under the provisions of this Act, each order is coordinated with the appropriate State banking authority prior to the inception of proceedings.

Also, in 1975, the Board began to use its recently authorized cease and desist authority over bank holding companies and their nonbank subsidiaries, as an alternative to enforcing the Bank Holding Company Act and related regulations solely through criminal referrals to the Department of Justice. This approach allows for greater flexibility in the enforcement area, and it is expected that the Board will rely upon it to a larger extent in the future.

## FEDERAL TRADE COMMISSION

### Purpose and Responsibilities

The protection of the consumer and the promotion of free and fair competition in American business are the responsibilities of the Federal Trade Commission (FTC).

The Commission conducts its activities through civil law and rarely becomes involved with criminal law enforcement.

In performing its responsibilities, however, the Commission sometimes acquires information concerning criminal law violations. When it does, this information is communicated to the Department of Justice.

The Commission was organized as an independent administrative agency in 1915, pursuant to the Federal Trade Commission Act of 1914 (38 Stat. 717; 15 U.S.C. 41-51). It was created to insure free competition in the American economy.

To accomplish this goal the Commission was authorized to prevent unfair methods of competition and to proceed against unfair or deceptive acts and practices. To fulfill the requirements of the statutory mandate, the Federal Trade Commission aims to eliminate monopolistic practices and trade restraints, including price discrimination and restrictive agreements; to prevent deceptive and misleading trade practices in the advertising, packaging, and labeling of consumer commodities; and to insure the disclosure of credit cost, the terms of product warranties, and other sales practices.

### Organization Structure

The achievement of these goals is the responsibility of the three bureaus of the Federal Trade Commission: the Bureau of Competition, the Bureau of Consumer Protection, and the Bureau of Economics. The Bureau of Competition investigates alleged violations of the



Clayton Act and restraint of trade violations of the Federal Trade Commission Act; it provides guidance to industry and to small businesses concerning these acts. This bureau also administers the Export Trade Act.

The Bureau of Consumer Protection is concerned with unsafe acts and practices which are deceptive or unfair to consumers. The bureau holds investigations and counsels businessmen and consumers and it encourages voluntary compliance with the law. When necessary, it secures compliance by litigation.

The Bureau of Economics provides the Commission with economic data and advice; it prepares periodic reports, special reports, and surveys when appropriate. The Economics Bureau provides the other two bureaus with advice and support in their investigations and trials. It prepares on a continuing basis a quarterly financial report which supplies authoritative statistics indicating the financial characteristics of different industries and manufacturers.

#### Statutory Mandate

Specific statutes enacted by Congress over the past several years which have affected the Federal Trade Commission's law enforcement powers and jurisdiction are:

(1) Trans-Alaska Pipeline Authorization Act, Sec. 408, P.L. 93-153 87 Stat. 591, streamlining the Commission's administrative authority by giving the Commission procedural authority to eliminate delays in enforcement proceedings.

(2) Hobby Protection Act, P.L. 93-167, 38 Stat. 717, authorizing

the Commission to prohibit deceptive trade practices regarding political and numismatic items.

(3) Fair Credit Billing and Equal Credit Opportunity Acts, Title 3-7, P.L. 93-495, 88 Stat. 1511, authorizing the Commission to prohibit deceptive and unfair practices regarding credit billing and availability.

(4) Magnuson-Moss Warranty - Federal Trade Commission Improvement Act, P.L. 93-637, 88 Stat. 2183, expanding the Commission's authority to seek civil penalties for the violation of its rules and orders, and improving the effectiveness of the Commission in initiating actions for injunctive relief, consumer redress, and enforcement of subpoenas.

#### Law Enforcement Activity

The Commission's law enforcement activities fall into three categories: fostering voluntary compliance with the law; issuing trade regulations; and formal litigation leading to mandatory orders against offenders.

Criminal sanctions are available to the Commission in matters of false advertising with intent to defraud or to mislead, and in matters of willful violation of textile labeling or identification.



GENERAL SERVICES ADMINISTRATION

Purpose and Responsibility

The General Services Administration (GSA) was established by Section 101 of the Federal Property and Administrative Services Act of 1949. It establishes policy and provides the government with an economical and efficient system for the management of its property and records.

The Public Buildings Service (PBS), with its 25,000 employees, is the largest of the GSA services. It is responsible for the design, building, leasing, operation, protection, and maintenance of most of the Federal buildings in the nation. PBS has responsibility for 220 million square feet of space in more than 10,000 Federal buildings.

The Office of Federal Protective Service Management (OFPSM) is responsible for establishing a national policy for the protection of all buildings under GSA custody and control. The operational responsibility for accomplishing this task is delegated to 10 regional FPS offices throughout the United States. They employ approximately 4,000 Federal Protective Officers and secure additional protection services through the use of contract guards.

Principal - Criminal Incidents

	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75*</u>
Bomb threats	339	341	524
Bombings	10	11	9
Arson	11	6	9
Vandalism	84	78	108
Demonstrations	702	470	506
Thefts (Government)	\$497,834	\$840,017	\$894,691

\*Totals include July 1, 1974 through April 30, 1975

### Self Protection Plans for GSA Controlled Buildings

Because of demonstrations and the bombing of the State Department building in January 1975, every effort is being made by the Federal Protective Service to fully utilize its resources in an attempt to preclude any act of terrorism from damaging facilities under GSA control.

In keeping with its goal of utilizing maximum resources, OFPSM has designed two sets of guidelines: Bomb Emergency Guidelines and Security Alert Guidelines. The Bomb Emergency Guidelines provide Federal Protective Officers with precautionary measures for handling suspicious objects and bomb explosives in Federal buildings. The Security Alert Guidelines assist the Directors of the Federal Protective Service Divisions, in each of the 10 GSA regions, in dealing with situations which threaten personnel and Government property. There are three degrees of security alert--moderate, medium, and maximum; a condition is declared by gray, yellow, or red. The color that is selected to describe a situation will generally determine the degree of security alert. The system is flexible so may be applied to one building or to all GSA controlled buildings in a specific area: a city, part of a State, the entire State, several States, or the entire nation.

An important feature of the Security Alert Guidelines is that all agencies of the government which are housed in GSA controlled facilities have been given the details of this plan. Everybody should know what to do under the different alert situations. The guidelines are not complex; they have been purposefully simplified to insure expeditious implementation.

### Mobile Response Patrol Concept

GSA Federal Protective Officers (FPO) had been traditionally assigned to fixed posts. The effectiveness of this type of protection is poor and requires an excessive use of manpower. It offers limited coverage, little operational flexibility, low officer visibility, and little if any response capability.

Recognizing this problem, a new concept of operations known as the Mobile Patrol Concept has been adopted by the Federal Protective Service. It is impossible for police departments to station a man at every home, building, or business establishment. Therefore, police departments patrol throughout a city, thereby dispersing manpower. Similarly, the mobile method of operation puts FPO officers on patrol in and around the buildings. Through the use of modern communications equipment available, FPO units are able to respond to an emergency anywhere in their area. This procedure assures maximum use of manpower. The Federal Protective Service needs this mobility. Its force of 4,000 uniformed officers has a responsibility to provide protection for more than one million people visiting and working in some 10,000 buildings. Through frequent and conspicuous patrolling, the opportunity for a potential offender to commit a crime decreases.

### Utilization of Intrusion Detection Systems

The study and installation of detection systems has begun and is progressing at a satisfactory rate. As part of the new Mobile Response Concept, FPS regional and metro-control centers are being established

in the 10 regions. These centers are the hub of all radio communication and remote alarm signalling in a given region.

Remote security signalling systems--using multiplex concepts and digital communicator techniques--and the use of access control systems allow the FPS to put officers on patrol in and around the buildings. All patrolmen will be equipped with walkie-talkie radios enabling them to respond immediately to an emergency situation.

The Federal Protective Service has three police academies. Located in Alameda, California; Marietta, Georgia; and Washington, D. C.; these academies are equipped with up-to-date classrooms, libraries, training aids, and reference materials. This enables the Federal Protective Service to provide a progressive law enforcement training program for its officers.

### Inspections

To increase efficiency, productivity, and effectiveness of the Federal Protective Service, a Program of Inspections was inaugurated in May 1973. This system of internal evaluation consists of an extensive Line and Staff Inspection Program. Line Inspections are conducted by Supervisory Officers on a regular basis. Each Regional Office has an inspections staff. The number of inspectors varies depending on the size of the region and its protection responsibility. Since the inception of the Inspections Program, approximately 1,000 inspections have been conducted, resulting in more than 2,000 positive actions to maintain the Service at peak operating efficiency.

### Investigations

FPS investigators investigate and work with other Federal law

enforcement agencies on thefts of government property and violations of Federal statutes covering criminal activities committed in public buildings and other areas under GSA jurisdiction.

### Special Operations

On August 28, 1974, the Administrator of the Veterans Administration was held hostage in his office at 810 Vermont Avenue, N. W., Washington, D. C., to protest President Ford's effort to reduce a G.I. education bill. The Tactical Patrol Unit of the Federal Protective Service handled the situation. The incident was successfully concluded with the arrest of three intruders, injury to none of the persons involved, and a minimum of property damage.

### Automated Task Evaluation System

The purpose of the system which is being piloted in several regions is to collect data on all activities of the Federal Protective Officers in order to effectively determine manpower allocation, budgetary needs, and crime problem areas. The system is based on the use of a central dispatch location where all requests for service in a city are received, and from which all activities are overseen. Only the dispatchers fill out the FPS Activity Record card used for the reporting system. This card is computer processed, recording such information as type of activity, location, date; time, agency serviced, and officer response time.





DEPARTMENT OF  
HEALTH, EDUCATION AND WELFARE

The Department of Health, Education and Welfare (HEW) created by Reorganization Plan 1 of 1973 (67 Stat. 18; 5 U.S.C. 623) employs 129,000 persons and administers over 300 programs. Current estimated outlays for HEW in fiscal year 1975 are \$118 billion dollars.

HEW programs of income maintenance, health care financing, social services delivery, educational and rehabilitation services, civil rights enforcement, consumer protection, biomedical and educational research, are all aimed at improving the basic human condition. The objectives of the Department are a commitment to improving the quality of life for all Americans.

Primary programs of HEW relating to Federal law enforcement and criminal justice assistance are administered by six principal operating components. The major activities conducted are:

Office of the Secretary

Division of Investigations, Office of Investigations and Security.

Created in April 1973, this unit is responsible for the prevention, detection, investigation and processing of fraud and other violations of laws, regulations and agreements by Departmental employees in the performance of their official duties as well as the grantees and contractors receiving HEW funds. Responsibility is Department-wide, with the exception of the Social Security Administration which operates independently. Budget for fiscal year 1974 was \$409,000; fiscal year 1975 was \$401,000. Seventy-six investigations have been conducted to date with 22 referred to the U. S. Attorney.

Audit Agency. Created in July 1965, this unit is responsible for determining that Departmental programs and functions, including grantee

and contractor activities, are carried out economically and efficiently, besides assuring proper expenditure of funds. The Audit Agency refers cases of probable fraud or other criminal acts to the Division of Investigations. Appropriated funding for fiscal year 1973 was \$18,473,000; fiscal year 1974, \$18,606,000 and fiscal year 1975, \$21,567,000. Since fiscal year 1973, 14,825 direct HEW audit reports have been issued.

#### Office of Civil Rights

The Office of Civil Rights (OCR) is responsible for civil rights compliance in a variety of Federal and federally assisted programs which include civil law enforcement initiatives. Under Executive Order 11246, the Civil Rights Act of 1964, and other related statutes, these compliance activities encompass reviews of Federal contractors and subcontractors and federally assisted construction projects in the field of civil law enforcement; institutions of higher education receiving Federal law enforcement education funds; public elementary and secondary schools; nursing homes; and other recipients of federal funds.

OCR has utilized the following resources during the last three years; fiscal year 1973 - a budget of \$14.2 million; fiscal year 1974 - \$20.2 million; and fiscal year 1975 - \$24.3 million. While the resources specifically allocated to compliance reviews related to Federal law enforcement cannot be isolated, almost 90 percent of OCR's staff is assigned to education, health and social services and contract compliance areas, which embrace such projects.

Under Executive Order 11246 (as amended by Executive Order 11375), which prohibits discrimination in employment on the basis of race, color, religion, sex or national origin by all Federal contractors and

subcontractors, one contractor has been debarred from future contract awards; one case has been referred to the Department of Labor following an HEW enforcement hearing; and one contractor has been recommended for debarment.

The Attorney General has delegated to HEW review authority pertaining to institutions of higher education which seek financial assistance from the Law Enforcement Assistance Administration, through its Law Enforcement Education Program (LEEP).

Title IX of Education Amendments of 1972 prohibits discrimination on the basis of sex in all federally assisted education programs and amends certain portions of the Civil Rights Act of 1964 and the Fair Labor Standards Act to ensure non-discrimination on the basis of sex. The final regulation to carry out the non-discrimination principles of Title IX was signed by the President and became effective July 21, 1975. During fiscal year 1976, OCR will implement this regulation and begin full enforcement activities.

Section 504. OCR has also been delegated enforcement responsibility for Section 504 of the Rehabilitation Act, which prohibits discrimination against the physically or mentally handicapped. A proposed regulation for enforcement of Section 504 will be published in fiscal year 1976.

#### Assistant Secretary for Education

The mission of the Assistant Secretary for Education (ASE) is to provide leadership coordination and overall direction for the many programs of the Education Division. Given the unique function of the organization, ASE operates only two major programs under its direct control, the National Center for Educational Statistics (NCES) and the

Fund for Improvement of Post Secondary Education. Of these, only NCES conducts activities directly related to crime prevention and control.

National Center for Educational Statistics. Three surveys have been initiated, under NCES auspices, which seek information on crime occurrence and prevention:

° Under the Higher Education General Information survey, NCES is surveying colleges and universities to determine which institutions offer courses or vocational training in the police sciences. The results of this survey will be published in a directory for use by school counselors and state and local manpower planners, including police departments.

° Under a \$150,000 survey of Post Secondary Schools with occupational programs, NCES is also producing a directory of non-college instructional programs at the secondary level which offer instructions and vocational training in the police sciences.

° The Safe Schools Survey, which commenced in 1974, will spend \$250,000 to conduct a descriptive sample survey of incidence of crime in public and private schools as defined by the FBI's uniform code. Reporting categories include rape, murder, larceny, and burglary. The report will be presented to Congress in June 1976.

#### OFFICE OF EDUCATION

##### Office of the Commissioner

Several crime prevention related programs are conducted from the immediate office of the Commissioner of Education:

Teacher Corps. The Teacher Corps, administered under Public Law 90-35 as amended, attracts and trains educational personnel to provide relevant remedial basic and secondary educational training to disadvantaged populations, including juvenile delinquents, youth offenders,

and adult criminal offenders. During fiscal years 1973-1975, the Teacher Corps spent \$8.5 million dollars on 14 correctional educational projects, or approximately 10 percent of the total Teacher Corps expenditures.

° Title I Programs. Under Title I of the Elementary and Secondary Education Act (ESFA) as amended (P.L. 93-380), funds are authorized to supplement State and local expenditures in areas with large numbers of educationally deprived children. During fiscal year 1973-1975, specific funds were available to State agencies responsible for the education of institutionalized, neglected or delinquent children. The average annual allocation for this program during these years was more than \$20 million for the approximately 50,000 children served. More than 500 State-administered institutions participated in the program. An additional \$4 million was also allocated during the 1974-1975 school year for 19,000 eligible delinquents in 411 locally administered institutions.

° Title III Programs. Title III of ESFA funds experimental school programs to raise the quality of educational services and to stimulate the development and evaluation of educational project models for replication. Several of the Title III projects have components dealing with the problem of juvenile delinquency. It is estimated that about \$1,250,000 was obligated in this area in fiscal years 1973-1975.

Bureau of Post-Secondary Education. The Bureau of Post-Secondary Education administers two-State-based higher education programs which are generally directed toward post-secondary schools, but offer some assistance and support to correctional institutions:

° Title I Programs. Title I of the Higher Education Act of 1965 pioneered in bringing college and university resources to bear upon the

community problem of juvenile delinquency. As more money became available through other programs in Health, Education and Welfare and the Department of Justice, activities supported by Title I diminished. However, a few projects of an experimental nature are still supported and they include the training and counselling of youth in correctional institutions; and helping disadvantaged out-of-school young people to rediscover their academic abilities and pursue further training. In fiscal year 1974, an estimated \$50,000 was applied to juvenile delinquency projects with approximately 500 participants.

° Institutional Libraries. The Office of Libraries and Learning Resources carries on a nationwide program of support for libraries in State institutions, including correctional institutions.

State library services and public library services were merged under the Amendments of 1970 (P.L. 91-600). The purpose of this program is to establish and improve library services in institutions operated, or substantially supported, by States. The program is State-administered but financed by Federal and matching State and local dollars.

Of the approximately 655 correctional institutions eligible for library assistance, almost all received services from the State library program. Services included: loans of books in Federal deposit collections, inter-library loans of books and audio-visual materials, including legal materials, centralized ordering and processing services, and consultant

storefront libraries and "instant" libraries are attracting former "non-users", including many young people. Libraries with outreach services cooperate effectively with other agencies in conducting crime prevention, drug education and post-release programs.

Bureau of Adult, Vocational and Technical Education. This Bureau operates a number of programs under the Adult Education Act as amended (P.L. 93-380) which relate to crime prevention and control as part of their overall mission to assist States in areas of vocational and technical education and education for adults:

° States Grants Program. The Adult Education Act authorizes grants to States for the purpose of eliminating functional illiteracy among adults and to enable them to become employable, productive, and responsible citizens.

° Vocational Education. The Vocational Act of 1963, as amended, operates several programs which may impact on crime prevention and control. This act assists States in maintaining, extending and improving existing programs of vocational education for persons of all ages and circumstances who desire and need such training for gainful employment. In fiscal years 1973-1975, under the States Grants Program mandated by the Act, 15 percent of the annual funds available (i.e., approximately \$62 million of the total \$413 million) are set aside for disadvantaged youth and adults and used by States to conduct vocational education and instructional programs for offenders, ex-offenders, juvenile delinquents and other special populations.

° Manpower Development and Training Programs. In fiscal year 1973-1974, job training was also provided to vulnerable youth, hard-core unemployed, and inmates of correctional institutions under the Manpower



Development and Training Act (MDTA) of 1962, as amended. In fiscal year 1973, 67 vocational training projects served 5,502 inmates at a cost of \$5 million. In fiscal year 1974, the MDTA legislation expired and further manpower training within correctional institutions will be carried out under the Comprehensive Employment and Training Act of 1974 administered by the Department of Labor.

#### NATIONAL INSTITUTE OF EDUCATION

The Institute is currently conducting several studies related to crime prevention and control:

° Career Intern Program. The Career Intern Program (CIP) is an alternate high-school program for 11th and 12th graders who are dropouts or potential dropouts, 15 to 21 years old. This program provides individuals with career exploration and academic program leading to an immediately attainable outcome for the student: such as high-school degree; entry into further technical training; into college; etc. An NIE research team is conducting an evaluation of the CIP. Preliminary results from this study indicate that it is effective in increasing attendance, and also the development of positive social behaviors and academic self-concepts when participants are compared to eligible nonparticipants who have expressed interest in the program.

° NIE Safe School Study. As a supplement to the work being undertaken by NCES, the NIE Safe School Study concerns the incidence of crime and its prevention in the nation's elementary and secondary schools. The projects will identify the extent and location of crimes in schools, what schools are doing to prevent crime, and how effective they are. The study was designed to provide information requested in Public Law 93-380. To determine which prevention strategies and

techniques are most effective, it will also be necessary to know how much crime has been occurring in schools (regardless of whether it was reported to the police) and to have information describing students, schools, and communities. The data collected should indicate factors contributing to crime which may affect the success of various preventive measures. Considerable emphasis will be placed on guaranteeing the anonymity and confidentiality of information from participants in all parts of the study.

In the first phase, school administrators in a large national sample of elementary and secondary schools will be asked to report the incidence of crime in their schools for a period of time during the 1975-1976 school year, and on crime prevention methods employed in their schools.

In the second phase, students and teachers in a subsample of the secondary schools will be asked to report their own experiences as victims of crime in school and to provide some personal descriptive data. One purpose of this survey is to discover the extent of day-to-day incidents which are not reported to administrators.

#### THE PUBLIC HEALTH SERVICE

The Public Health Service (PHS) seeks to maintain and improve the health of all Americans. Its six separate agencies operate under the direction of the Assistant Secretary for Health. Of the six agencies which make up the Public Health Service, only two, Alcohol, Drug Abuse, and Mental Health Administration and the Food and Drug Administration conduct programs relating directly to the criminal justice system.

Alcohol, Drug Abuse, and Mental Health Administration

The basic mission of ADAMHA is to develop knowledge, manpower, and services to prevent mental illness, to treat and rehabilitate the mentally ill, and to prevent the abuses of drugs and alcohol. ADAMHA has three constituent agencies, the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse, and the National Institute of Mental Health. Although many of the activities of ADAMHA could be related to prevention of crime, only those activities which are most directly related to issues of concern to the criminal justice system are noted.

National Institute on Alcohol Abuse and Alcoholism. NIAAA supports programs to (1) improve treatment services for alcoholics, (2) treat and rehabilitate employees with drinking problems in government and private industry, (3) modify public attitudes toward alcoholism, and encourage responsible decisionmaking with regard to use and non-use of alcoholic beverages, (4) train professional and non-professional personnel in the treatment of alcoholism, and (5) determine through research the causes and means of prevention of alcoholism and alcohol abuse.

° Drinking Driver Program. The Drinking Driver program is a part of a joint effort with the Department of Transportation to reduce the number of alcohol-related traffic fatalities and to identify candidates for alcohol abuse treatment early through work with judges, police and probation officers. More than 30 projects have been undertaken over the last three years. These attempt to integrate the systems of law enforcement and alcohol abuse treatment and rehabilitation. In fiscal year 1975, \$2.3 million was expended.

° Criminal Justice Alcoholism Program. This program supported alcoholism treatment and rehabilitation services for pre-trial releasees, probationers, inmates and parolees of the criminal justice system who were identified as alcohol abusers or alcoholic persons. This program is concerned with the entire range of persons within the criminal justice system who are charged with or convicted of crimes, including the four index crimes of violence (homicide, aggravated assault, forcible rape, and robbery). As a new program in fiscal year 1975, 12 major projects were funded under a total appropriation of \$2.5 million.

National Institute on Drug Abuse. Those National Institute on Drug Abuse programs most closely related to criminal justice activities are in the areas of treatment and rehabilitation of drug abusers.

Drug Abuse Service Project Grants are provided on a matching fund basis for the total operational costs of projects for treatment of narcotic addicts and other drug abusers. Each project supports one or more of the following services: detoxification, institutional care or community based aftercare. Since funding of the initial 14 project in 1971, this program has expanded to 332 projects serving over 85,000 patients.

Treatment projects which demonstrate effective methods of delivering treatment services; which permit advance intelligence on new modes and means of drug abuse and addiction treatment; or which provide appropriate services to meet new and existing problems in drug abuse; are supported and evaluated. From a beginning of three projects in 1972, the program has grown to include 29 projects. In fiscal year 1975, the projects were funded at \$12,882,000.

° Narcotic Addict Rehabilitation Act of 1966. The NARA program permits narcotic addicts to volunteer for civil commitment for treatment and addicted individuals charged with violation of certain Federal criminal laws to apply for civil commitment instead of prosecution. HEW services are administered through contracts with community-based facilities.

In fiscal year 1975, 28 community-based agency projects provided evaluation and examination, inpatient care, and aftercare at a funding level of \$1,194,000. There are 535 patients in the civil commitment program.

National Institute of Mental Health. In recognizing that similar behavior may well be perceived, evaluated, labeled, and handled differently as a function of varying social contexts, the National Institute of Mental Health is concerned with the prevention, control, and treatment of deviant behavior which may be defined either as mental illness or as violations of the criminal law. The Institute's role, therefore, in the area of crime and delinquency (the role of which is inextricably related to its emphasis on understanding human behavior) is to develop and disseminate knowledge about this special area of societal concern.

Several studies using longitudinal, age-cohort, and survey research techniques are expected to provide important information on the dimensions of delinquent behavior.

A longitudinal study investigating the transition of non-metropolitan youth from adolescence to adulthood is underway. Youth who are sophomores in the high schools of a non-metropolitan Western county in 1964

have been followed to learn of the extent to which pressures toward juvenile and young adult deviance originate in problems of adolescent stress. The study is also examining the competing commitments to education, work, family, and community on the maturational reform process and the effect of wartime military service on maturation and deviance.

Another study of self-reported delinquent behavior of institutionalized and non-institutionalized youth found that the pattern of offenses engaged in by high school females tended to be the same, though less frequent, as those engaged in by high school males and institutionalized males. A large proportion of offenses reported by the youth were committed in isolation from other youth.

An important area of scientific inquiry concerns the possibility that individuals with certain biological abnormalities may engage disproportionately in violent behavior. The NIMH is supporting several studies to determine the extent (prevalence) of chromosomal abnormalities in different population groups.

Another study is examining possible interactive relationships between perinatal brain damage and later antisocial behavior; the investigators are examining the birth records of 9,000 children in Denmark, where a system of medical recordkeeping makes this type of study possible.

Research is being done to focus on factors and criteria influencing decisions by police, prosecutors, and judges with respect to the application or non-application of sanctions to particular types of deviant behaviors and with respect to the movement of persons into and out of the juvenile and criminal justice systems at various stages. Several projects are attempting to improve our understanding of official

policies and practices which relate to the handling of juvenile behaviors.

Finally, to facilitate non-institutional treatment programs, the NIMH has been concerned with the development and testing of new community-based treatment models suitable for implementation by local communities. The interest is to develop, test, evaluate and refine an experimental program that appears to hold promise of effectiveness and replicability as a community-based answer to problems of delinquency or crime. The various models being developed represent treatment packages which can readily be exported elsewhere with minor modification to adapt to local problems, conditions, or settings.

#### FOOD AND DRUG ADMINISTRATION

The Food and Drug Administration (FDA) is a scientific regulatory agency responsible for protecting consumers from harm and deception in the marketing of foods, drugs, cosmetics, medical devices, biologics, and electronic radiological products. FDA's major compliance programs are authorized by the Federal Food, Drug, and Cosmetic Act. Violation of this law carries criminal penalties, usually misdemeanors, although willful or repeated violations may be treated as felonies.

A large number of lawsuits by the drug industry contesting FDA actions to stop the marketing of hundreds of unproven drugs culminated June 18, 1973, in four landmark decisions by the U. S. Supreme Court.

These decisions reflected the principle that the agency has "primary jurisdiction" to enforce the Federal Food, Drug and Cosmetic Act, and that its decisions have "administrative finality." In short, FDA should make the fullest possible use of its administrative powers to enforce the law before going into court.

The decisions provided virtually a new charter for the Agency.

The Court said FDA has broad powers to devise new regulations to ensure efficient enforcement, not restricted to those spelled out in the statute. It said the proper approach to quick, effective enforcement was to issue regulations dealing with classes of products. It endorsed FDA's "drug effectiveness regulations" and its mass reviews of thousands of prescription and over-the-counter drugs. By implication, other large scale reviews of biological drugs, therapeutic devices, diagnostic products, and food additives were also approved.

The Court also said that proceeding case-by-case against individual products "creates delay where, in the interest of public health, there should be prompt action" and that such an approach "is inherently unfair because it requires compliance by one manufacturer while his competitors marketing similar products remain free to violate the Act."

Nowhere, however, did the decisions question the need to enforce the law by legal proceedings when violations are encountered.

In fiscal 1974, FDA began using a new law enforcement mechanism-- the "Regulatory Letter". These are formal notices to a specific person or firm, charging specific violations of the law, setting a date for corrective action, and advising the parties that a court proceeding will be started if the violations are not corrected. With the beginning of Regulatory Letters there was an expected decline in the number of new court cases. Agency-wide, a total of 1,195 Regulatory Letters were issued, while the total number of new court cases initiated decreased from 1,350 to 523, the lowest since the 1938 law was enacted.



These figures reflect a fundamental change in FDA's approach to consumer protection. The Agency is no longer asking the Federal courts to handle the enforcement of the Federal Food, Drug and Cosmetic Act if this can be avoided by acting administratively.

Another precedent-making decision by the Supreme Court was handed down July 9, 1975, in the case of U. S. vs. Acme Markets, Inc., the Nation's fifth largest food chain. The firm and its president were charged with five criminal counts of holding adulterated food for sale in a Baltimore warehouse. The president was charged because he had received warnings the previous year regarding unsanitary conditions in the firm's warehouses. The corporation pleaded guilty, and a jury found the president guilty on all counts. This verdict was sustained by the Supreme Court in a decision dealing with the standard of liability of individuals under the Federal Food, Drug and Cosmetic Act. The Court held that corporate executives have "not only a positive duty to seek out and remedy violations when they occur, but also, and primarily, a duty to implement measures that will insure that violations will not occur."

Fewer product recalls were needed in fiscal 1974 compared to 1973--a total of 881 compared to 1,549. Much of the decline resulted from the transfer of "hazardous product" regulation from FDA to the Consumer Product Safety Commission (there were 396 recalls of hazardous consumer products in 1974 while the program was still in FDA). Other factors were the tapering off of actions in FDA's "drug effectiveness" program, and fewer drug products found not meeting quality specifications.

Summarized below are seizures, prosecutions, and injunctions instituted by the Food and Drug Administration during fiscal years 1973 and 1974:

	<u>Seizures</u>		<u>Prosecutions</u>		<u>Injunctions</u>		<u>Total</u>	
	1973	1974	1974	1974	1973	1974	1973	1974
Foods . . . . .	515	272	96	92	8	7	619	371
Drugs . . . . .	195	72	16	1	8	5	219	78
Devices . . . . .	430	66	0	0	0	0	430	66
Cosmetics . . . .	8	7	0	0	0	1	8	8
Totals . . . . .	1,216	417	118	93	16	13	1,350	523

#### OFFICE OF HUMAN DEVELOPMENT

The Office of Human Development (OHD) serves special populations with special problems including children, youth, the elderly, American Indians, the handicapped or severely disabled, and the unemployed. The agency acts to coordinate departmental programs on behalf of these populations; to catalyze, throughout HEW, a concern for their human development so that other agencies will also recognize and serve their needs; and to provide the Department with an information center about these special groups.

The OHD's Office of Youth Development, (OYD) administered the Juvenile Delinquency Prevention Act of 1972, (P. L. 92-381), which expired on June 30, 1974, and was extended for a final phaseout year until June 30, 1975, under P. L. 93-415 (the Juvenile Justice and Delinquency Prevention Act of 1974). Juvenile delinquency prevention programs are now administered by the Law Enforcement Assistance Administration of the Department of Justice.

Under P. L. 92-381, HEW's fiscal year 1973 and 1974 appropriations were \$10 million each year. In fiscal year 1975, the phaseout appropriation was \$5 million. Title I of the act provided assistance to states,

local educational agencies, and other public or nonprofit private agencies to establish and carry out community-based programs, including programs in schools, for preventing delinquency among youth.

The Rehabilitation Services Administration, (RSA), manages the Department's major vocational rehabilitation effort for physically and mentally handicapped individuals. Of all handicapped individuals rehabilitated, under the Rehabilitation Act of 1973, approximately seven percent have been public offenders each year 1973-1975.

In fiscal year 1973, \$39,404,100 was obligated in formula grants to state programs for rehabilitating physically or mentally handicapped public offenders. With this funding, 96,600 individual public offenders were served (eligible, referred, and/or received service) and 23,600 successfully completed vocational rehabilitation and had worked for at least 60 days. In fiscal year 1974, \$44,395,000 were obligated and 98,800 individuals were served, of which 24,700 were successfully rehabilitated.

In fiscal year 1975, the Rehabilitation Services Administration expected to spend approximately \$44,000,000 and serve and rehabilitate a slightly fewer number of handicapped public offenders than in fiscal year 1974.

#### SOCIAL AND REHABILITATION SERVICE

The Social and Rehabilitation Service (SRS) provides cash assistance, and medical and social services to help people achieve and maintain a maximum degree of self-sufficiency and independence. SRS carries out this mission primarily through grants to states.

The major areas within SRS which have programs targeted toward the prevention of crime, the provision of assistance and services to

individuals associated with the criminal justice system, and the efforts devoted to the resettlement of former offenders are described below:

Medicaid Fraud and Abuse Prevention. The Medicaid program (Title XIX) is a federally-aided, state administered program that pays for basic medical care for persons with low incomes who are aged, blind or disabled, or members of families with dependent children, and, in some states, certain additional categories of needy persons under 21. A major effort is being made to prevent fraud and abuse in the administration of this program. Medicaid fraud is specifically made a misdemeanor by Section 1909 of the Social Security Act. Most states have parallel statutes.

Since prosecution of Medicaid fraud and prevention of fraud and abuse in the Medicaid program is a state responsibility, and the Federal role is to assure that the states effectively fulfill this responsibility. HEW matches 50 percent of the salaries of all state agency employees devoted to fraud and abuse surveillance.

Federal resources devoted to fraud and abuse monitoring have not been separated from the overall program monitoring activities and responsibilities until recently. Twelve man years are now earmarked for these efforts, but in light of recent indications of increasing fraud and abuse, HEW has requested in its fiscal year 1976 budget an additional 108 persons for fraud and abuse monitoring through its field offices.

Child Support. Under Title IV-A support payments are made to families with dependent children. The total national caseload for these welfare support payments is 11 million recipients. These include approximately 163,000 children receiving support payments who have

fathers in penal institutions. Of the total number of children on welfare, 2.1 percent have fathers in such institutions. The average monthly payment per recipient in fiscal year 1973 was \$52.78; in fiscal year 1974 - \$56.60; and in fiscal year 1975 - \$65.00. The approximate total expenditures to support the children whose fathers are in prison was: \$12.2 million in fiscal year 1973; \$13.1 million in fiscal year 1974; and \$15 million in fiscal year 1975.

Drug Abuse and Alcoholism Prevention Related Social Services.

Under Title IV-A and Title VI, the Federal government shares with the states in the provision of social services to current, former, and potential recipients of Aid to Families with Dependent Children and Supplemental Security Income. The primary goal of the programs in drug abuse and alcoholism prevention is to aid drug users and alcoholics in finding treatment, employment and housing so that they may become self-sufficient. Effective October 1, 1975, these programs will instead be authorized under a new Title XX that gives States new options in regard to services and eligibility. The estimated social services expenditure for drug abuse and alcoholism prevention totalled \$62.8 million in fiscal year 1973; \$73.8 million in fiscal year 1974; and \$87.5 million in fiscal year 1975.

Community Adjustment - Crime and Delinquency. Social Services for Community Adjustment - Crime and Delinquency is defined as purchased services from state and local correctional agencies to assist parolees or probationers to remain in the home and community, or to assist individuals in correctional facilities to plan and prepare for return to home and community.

Estimated Federal expenditures and recipients for Community

Adjustment - Crime and Delinquency are as follows:

	<u>1973</u>	<u>1974</u>	<u>1975</u>
Estimated expenditures	\$44,727,000	\$45,321,000	\$53,934,000
Estimated number of recipients	180,000	183,000	207,000

SOCIAL SECURITY ADMINISTRATION

The Social Security Administration (SSA) serves the public by administering a broad, comprehensive social insurance program that provides benefits for retired persons, survivors of insured workers, disabled individuals, various individuals related to retired or disabled persons, and aged persons requiring hospital or medical services. Since January 1, 1974, SSA has also administered the Supplemental Security Income (SSI) program, which provides needs-based payments to aged, blind and disabled recipients. These programs have a direct effect on the lives of more than 33 million beneficiaries.

The agency is not a law enforcement organization, as such; its enforcement activities are aimed primarily at preserving the integrity of the various Trust Funds and general revenues under its administration. Each of the more than 80,000 employees of the SSA is charged with the responsibility for being alert to the possibility of fraud, breach of confidentiality, or other activities which may be in violation of the penal provisions of the Social Security Act (42 U.S.C. 406, 408, 1306, 1307, 1383, and 1395) or related Federal criminal statutes. Where suspected violations are identified, evidence indicating a crime is collected and referred to the appropriate U. S. Attorney.

Integrity Functions. In the SSA Office of Management and Administration, there is a group of 19 individuals responsible for investigating complex or highly sensitive situations involving suspected fraud and other abuses. During fiscal year 1974, 1,105 possible criminal violations of Title II of the Act (fraud relating to benefits) were referred to U. S. Attorneys, compared with 1,131 cases referred during fiscal year 1973. Under Title XVIII (Medicare), 55 cases of suspected violation were referred in fiscal year 1974 compared with 35 referrals in fiscal year 1973. Under Title XVI (SSI), 168 cases were referred in fiscal year 1974.

Subject to the restrictions and limitations of the Social Security Act and the Privacy Act, SSA furnishes information to other Federal, State, or local law enforcement agencies. It informs Federal agencies of identified criminal situations within their jurisdiction, but detected through SSA activities. Under regulatory authority, SSA furnishes information regarding earnings to the Internal Revenue Service in connection with income tax investigations.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

General

HUD administers the principal federal programs to help make decent homes in suitable environments available to all Americans and to assist in the orderly growth of the Nation's communities.

Through its Central Office in Washington, 10 Regional and 76 Area and Insuring Offices, the Department provides financial and technical assistance to help states, counties, and communities solve urban problems. It encourages private industry to produce housing more efficiently, to build new communities and to insure and finance housing construction.

Many of HUD's programs and activities directly or indirectly address areas involving criminal justice and prevention of crime in American communities. These programs deal with residential and commercial crime insurance, protection of consumers against fraudulent actions by land developers, enforcement of fair housing laws, and on-going investigative operations designed to search out improper or illegal conduct by employees or program participants. Through financing, research and consultation, HUD also supports policing of low rent housing and planning strengthened and improved public safety and security systems.

Office of Inspector General

The Inspector General, reporting directly to the Secretary, is the focal point for the independent review of the integrity of HUD's and its program participants' operations.



The Inspector General's audit, investigation, and security activities are largely designed to search out illegal conduct by employees or program participants and to help assure compliance and effectiveness in the administration of Housing and Urban Development laws, regulations, and contracts. The following are some of the main results of the OIG's crime control and law enforcement efforts for fiscal years 1973 and 1974:

	Fiscal Year	
	<u>1974</u>	<u>1973</u>
<u>Audits</u>		
Audits Completed	1,000	1,250
Cash Recoveries	\$ 8.1	\$ 5.1
Sustained Findings	\$16.1	\$ 9.4
<u>Investigations</u>		
Investigations Opened	3,350	2,800
Investigations Completed by HUD	1,550	1,100
Investigations Referred to FBI	1,800	2,100
Persons or firms indicted	280 <sup>a</sup>	282 <sup>b</sup>
<sup>a</sup> Including 15 HUD employees		
<sup>b</sup> Including 24 HUD employees		
<u>Personnel Security</u>		
National Agency Checks and Written Inquiries, and Full Field Investigations "	2,130	2,300
<u>Previous Participation</u>		
Program Checks Concerning HUD's Past Experience with Program Applicants	20,000	36,800

The OIG participates in the current 26 Department of Justice Target Cities operations, using the combined efforts of the FBI, IRS, and OIG to uncover fraud and corruption in HUD programs. The effort has resulted in indictments of more than 900 individuals and/or firms, including 65 HUD employees, between July 1971 and December 1974. During fiscal year 1975 through March 31, 1975, 226 indictments were handed down in 117 cases investigated by the OIG and/or FBI. Some of the main offenses involved making false statements and submitting false documents in acquiring FHA mortgage insurance or repairing and inspecting HUD-acquired property; bribery or kickbacks to brokers or HUD employees; submission of false payroll statements for federally-insured projects in which minimum wages were required to be paid; political fund raising in exchange for influencing HUD to insure mortgages.

During fiscal years 1973 and 1974, the OIG made Operational Surveys in search of irregularities in 20 HUD field offices. Ten more were to be completed in fiscal year 1975.

#### Riot and Crime Insurance

The Federal Insurance Administration (FIA) administers two programs aimed at reducing losses caused by civil disorders, riots, or crime generally - the Riot Reinsurance Program and the Crime Insurance Program.

The purpose of the Riot Insurance Program authorized by Title XI of the Housing and Urban Development Act of 1968, is to encourage private insurance companies to insure property in areas subjected to riots or civil disorders. Those companies may participate in an insurance pool--the Fair Access to Insurance Requirements (FAIR) Plan.

The FAIR plans require that eligible risk property be insured without regard for environmental hazards, and that vandalism and malicious mischief coverage be offered, in addition to the normal fire and extended coverages.

Since August 1968, plans have been established in 26 states, the District of Columbia, and Puerto Rico, covering more than 75 percent of the property insurance market in the United States.

The riot reinsurance program, entirely self-supporting, had accumulated a surplus of about \$100 million and paid claims totaling about \$10 million by June 30, 1974.

The Urban Property Protection and Reinsurance Act of 1968, as amended authorizes HUD to administer the Federal Crime Insurance Program which provides insurance for losses resulting from crimes involving burglary and robbery of residential or commercial property.

The program assists local crime prevention efforts in two ways. Coverage is conditioned on prior installation of certain protective devices. The insurance availability helps deter abandonment or deterioration of urban areas which would otherwise become bases of criminal activity.

The legislation requires HUD to review continuously the availability of crime insurance throughout the United States, and to provide

crime insurance where not available at affordable rates. The program is currently available in the District of Columbia and the States of Connecticut, Delaware, Florida, Georgia, Illinois, Kansas, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Tennessee.

At the end of February 1975, 19,835 policies were in effect under the Federal Crime Insurance Program.

#### Security Program Research and Technology

Crime and personal security and safety are critical problems among tenants and homeowners. HUD's Office of Policy Development and Research, in conjunction with HUD's Housing Management and Production staffs, and the Law Enforcement Assistance Administration, works to produce for community use, practical methods, procedures and technical reports designed to reduce crime and fear of crime in housing developments and surrounding neighborhoods.

Starting in 1972, in HUD's Public Housing Management Improvement program (PHMIP), 13 of the nation's largest local housing authorities were awarded \$25 million for a three-year effort to establish the best management systems responsive to occupants' needs. About \$3 million of the total has been spent on security problems, including the incorporation of "defensible space" concepts and the development of transferable security methods and techniques, e.g. crime monitoring systems, physical environment redesign, and tenant security guard systems. Also, in 1972, HUD granted \$2 million to the New York City Housing Authority for modernization and rehabilitation of four public housing projects. This work incorporated research findings of the Center for Residential Security Design in an earlier project funded

by LEAA. HUD funds have supported development of two important publications on crime prevention through urban design, and on residential security.

In 1974, HUD awarded a supplemental \$161,000 to the Dade County, Florida, Department of Housing and Urban Development, to expand on and improve a safety and security component in their Management Improvement Demonstration. In 1976, the Dade County security program will be field tested at three public housing projects.

In 1975, HUD awarded LEAA \$50,000 for development of design guidelines and prototype designs for use in new construction to increase security. Also, a HUD/LEAA review panel was established to coordinate Security Research programs and technical assistance provided by each agency.

HUD has also an intra-departmental working group to coordinate and identify operating program research needs on residential security. Training films and other technical aids have been started for HUD use in site and building design, zoning, and hardware options for residential security in new construction. Work was completed in 1975 on a \$200,000 contract with the New York City Rand Institute on the Deployment of Emergency Services. One product of this study was development of a computer simulation model designed to examine the effect of changes in New York City Police Department deployment of its patrol resources.

#### Housing Management and Security Problems

A major element of Housing Management responsibility for its two million units is residential security. Surveyed residents have listed as their highest order of priority security in their own homes and on nearby streets. A national conference was held in

September 1973, resulting in a training program for HUD field staff and Local Housing Authorities. A Housing Management Handbook, "Security Planning for HUD Assisted Multi-family Housing" is being distributed by LEAA's National Criminal Justice Reference Service.

Following research at Temple University's Center for Social Policy and Community Development, the "Turf Reclamation" concept in which the resident must participate in reclaiming public space as his own with fair trade for other recreation and activity areas for young people, has been applied to four projects in Pittsburgh. The use of community security organizers from among the residents has resulted in a sharp drop in local crime.

In Dade County, Florida, a Vulnerability Index was developed that can pinpoint the exact location and nature of housing crime, strongly suggesting physical (and in some instances, social) measures that can be taken to counter that type of crime. Approximately 20,000 copies of an abstract of this study will be distributed to management authorities and agencies throughout the country. Three follow-up studies are planned at additional sites.

#### Protection of Land Purchasers

The Interstate Land Sales Full Disclosure Act, administered by the HUD Office of Interstate Land Sales Registration, OILSR, assures to land purchasers full disclosure of all facts pertaining to a proposed land sales transaction before they obligate themselves to purchase. Land developers are required to register offerings with HUD and give purchasers a Property Report, a condensed reiteration of facts and

representations contained in the registered Statement of Record. Developers must amend their filings when material changes occur with respect to the contents of their registration statements. More than 4,000 subdivisions have been registered with OILSR.

The Act provides for criminal penalties for willful violation - \$5,000 or five years imprisonment, or both - and authorizes the Secretary to issue subpoenas and seek injunctions or restraining orders. It also gives purchasers the right to void their contracts if they don't receive Property Reports and to sue developers if Property Reports received misrepresent or omit material facts.

OILSR relies more on administrative proceedings than court action to obtain compliance. However, since June 1972, 11 civil injunctive cases have been referred to the Department of Justice. Eight injunctions have been obtained as well as 9 indictments, 5 of which resulted in convictions. Two subpoena enforcement cases have been referred. Nineteen developers are presently under investigation for alleged criminal activities. By mid-April 1975, OILSR had issued 436 subpoenas, 865 Notices of Proceedings (warnings of impending suspensions) and about 935 suspensions, (including over 300 resulting from developers' failure to show compliance with the 1974 statutory amendments).

#### Ensuring Equal Opportunity in Housing

The mission of HUD's fair housing program is to investigate and conciliate complaints of discrimination on grounds of race, color, religion, sex, or national origin. When the situation warrants, HUD refers such complaints or related information to the Department of

Justice for possible criminal prosecution.

The program was established by the Civil Rights Act of 1968 (P.L. 90-284) as amended by the Housing and Community Development Act of 1974. It is administered by the Office of Civil Rights Compliance and Enforcement under the Assistant Secretary for Fair Housing and Equal Opportunity.

Title VIII of the act, as amended, authorizes the Secretary of HUD to investigate and attempt conciliation of complaints involving discrimination in housing on grounds of race, color, religion, sex, or national origin. Section 813 of Title VIII authorizes the Attorney General to bring a civil action if he has reasonable cause to believe there is a pattern or practice of resistance to full enjoyment of rights granted under Title VIII, or that a group of persons has been denied such rights and the denial raises an issue of general public importance.

Title IX of the act, as amended, is a criminal provision which prohibits willful or attempted injury, intimidation or interference with any person because of his race, color, religion, sex or national origin who is selling, purchasing, renting, financing or contracting or negotiating for sale, purchase, rental, financing, or occupation of any dwelling, or applying for or participating in any service, organization, or facility relating to the business of selling or renting dwellings.

The Department of Justice is responsible for enforcing Title IX. When violations come to the attention of HUD, they are referred to the Department of Justice.

In fiscal year 1974, HUD spent about 3.3 million dollars administering Title VIII with a staff of 181. Since HUD does not have principal



responsibility for enforcing Title IX, it allocates no resources specifically for that purpose.

In 1974 HUD received 2,586 complaints under Title VIII. Included were 78 complaints alleging sex discrimination, six of which were filed by males. From 1968 through 1974, HUD referred about 148 Title VIII complaints to the Department of Justice.

#### Planning Assistance

Under the Comprehensive Planning Assistance Program (701) administered by the Assistant Secretary for Community Planning and Development, two-thirds grants are provided to State and local governments and metropolitan and non-metropolitan areawide planning organizations to conduct comprehensive planning and management programs. HUD encourages participants to include law enforcement and criminal justice as elements of these programs.

In addition, much of the work of State and local governments funded by the 701 program produces information of value to law enforcement agencies and programs - for example, population and economic studies, land use inventories, and plans for community facilities, utilities and transportation.

DEPARTMENT OF THE INTERIOR

Law Enforcement functions of the Department of the Interior stretch from islands in the South Pacific to tourist-filled grounds in the District of Columbia. The magnitude and seriousness of criminal acts which can occur in the Federal areas under its jurisdiction are comparable to crime anywhere in the United States. Thus, there is a continuing need to train and equip agents of the Department of the Interior to deal with the wide variety of major crimes which occur.

Because of the need to develop an overall expression of policy, as well as standards and support for the law enforcement activities of the Department, a Secretary's Task Force on Law Enforcement was established in November 1973. The membership of the task force represented all bureaus and offices within the Department with law enforcement responsibilities. The goals of the task force were to foster professionalism, assure proper standards and criteria for selection, training and performance of law enforcement officers, and through management reviews assure appropriate allocation and utilization of manpower, equipment and funding to law enforcement activities.

The task force activities culminated with the publication of a Departmental Manual Release (446 DM 1 & 2) on December 20, 1974, by the Assistant Secretary--Management. Bureaus with law enforcement responsibilities are implementing DM 446 to assure that their programs are providing adequate and professional services to all who visit or reside on lands under the Department's jurisdiction. Programs which involve a law enforcement mission are carried out by six

elements of the Department of the Interior: the Bureau of Land Management; the Bureau of Reclamation; the Office of Territorial Affairs; U. S. Fish and Wildlife Service; Bureau of Indian Affairs; and the National Park Service.

#### Bureau of Land Management

The Bureau of Land Management's enforcement duties involve the protection as well as the controlled use of Federal land under their jurisdiction, with the specific task of enforcing the Wild Horse and Burro Act. Maintaining an intelligent balance of use is a very vital part of this activity. The agents responsible for enforcement activities under this relatively new program are known as Desert Rangers.

#### Bureau of Reclamation

The Bureau of Reclamation has jurisdiction over several water reclamation projects in the United States, including dam and reservoir complexes. They protect and oversee enforcement programs for this type of activity. Protection of major energy producing facilities is the primary mission. They seek to prevent loss of life and property that might result from the completion of threats of violence that have occurred on such sites.

#### Trust Territory of the Pacific Islands

Support for law enforcement efforts in the Trust Territory of the Pacific Islands is provided by the Department of the Interior as part of its administrative responsibility for the territory. An Insular Constabulary or Police Force is charged with the policing function, while the attorney general of the trust territory is responsible for criminal prosecutions and for operation of the court system. Under the High Commissioner and the established governing

bodies is the attorney general of the trust territory. Within that office is the Department of Public Safety, which is responsible for all phases of law enforcement and criminal justice. Criminal convictions may be based on trust territory law, district of municipal ordinances, or certain local customs recognized in the society. The office of the attorney general is responsible for prosecution of criminal cases. The trust territory's court system, also under the responsibility of the office of the attorney general, receives assistance from the Department of the Interior.

#### U.S. Fish and Wildlife Service

The law enforcement activities of the U. S. Fish and Wildlife Service are largely directed at hunting and fishing in violation of Federal, State and local laws. Their agents are charged with enforcing laws that protect domestic fish and wildlife resources, and laws that control the importation of endangered or threatened species. Game Management agents of the Service Bureau are trained to uncover and investigate violations which endanger these animal resources.

At U. S. ports, game management agents are charged with inspecting imported fish and wildlife. Among the many programs necessary to accomplish the mission of the U.S. Fish and Wildlife Service is its Management and Enforcement Program, which is responsible for law enforcement and regulation activities. The goal is to protect fish and wildlife resources and to control human activities to ensure the perpetuation of these resources while providing optimum citizen benefits and pleasure.

#### Bureau of Indian Affairs

Officials of the Bureau of Indian Affairs work cooperatively

with tribal authorities to enforce law on Indian reservations. This complex operation is strictly reservation oriented. In some cases, all enforcement programs on a reservation may be operated by tribal police, with financial and technical assistance from the Bureau of Indian Affairs. In others, BIA assumes the law enforcement responsibility or combines with work of the officials with that of tribal police. BIA also provides training for Indian police officers and funding for tribal corrections and courts programs. Some reservations are under State jurisdiction for the enforcement of criminal laws and police activities are administered in the same manner as elsewhere in the State.

On reservations where State laws do not apply, Federal laws and tribal laws are administered by BIA officers or tribal police, or by a combination of both. BIA officers provide technical assistance and training for tribal police but exercise no legal authority over them. Historically, BIA criminal justice activities have reflected top-heavy involvement in the area of enforcement. The recent past, however, has seen marked improvement in the areas of prevention, rehabilitation, and judicial programs.

#### National Park Service

The rules and regulations pertaining to national parks are enforced by Park Rangers and, in the District of Columbia, the U. S. Park Police. Their enforcement activities typically address poaching, illegal dumping and timber cutting, and unlawful fires. The steadily increasing number of visitors to national parks in recent years has resulted in a proportionately greater increase in major crimes, such as homicide, rape, robbery, and assault. Thus, the enforcement

and investigation responsibilities of Park Rangers and Park Police have extended well beyond park rules and regulations to serious crimes which are usually associated with urban areas. The Park Service is approaching the problem through increased law enforcement training for Park Service personnel and new staffing patterns which allow the Park Service to cope more directly with law enforcement requirements.

It is the mission of the Park Ranger to assist the public and enforce the rules and regulations while preserving the national park atmosphere. They perform a wide variety of professional duties related to the management of parks, historic sites, and recreation areas. Their work includes law enforcement, protection, interpretation, conservation, and education in the national parks with a view toward maintaining a balance of use between man and nature. In the District of Columbia, the U. S. Park Police perform this mission of public assistance and enforcement with regard to Federal park land within the city and its environs.

However, because of the highly concentrated population of both residents and tourists, the Park Police must also be skilled in a wide variety of police services. They must be able to deal with complex problems of a changing society--including human behavior--in their work of enforcement, protection and investigative services for the National Park Service. They provide special police service for civic events conducted within the National Capital Parks such as the National Cherry Blossom Festival and the Presidential Inaugural. Due to recent park acquisitions in San Francisco and New York City, a large detachment is now functioning in both of these cities.



INTERSTATE COMMERCE COMMISSION

The Interstate Commerce Commission is primarily responsible for the security of people and cargo in transit in the United States.

It enforces laws and regulations relating to rail, truck, and bus transportation of individuals, household goods, express items, and general freight and cargo. It investigates possible violations of Federal laws in these areas and is empowered to recommend to the Department of Justice the initiation of criminal prosecution for violations of the laws it administers.

These recommendations also frequently seek the initiation of civil monetary forfeiture proceedings by the ICC because the ICC laws carry fines but no prison terms for violation. The ICC seeks injunctions in Federal court in its own name.

The ICC is also actively engaged in efforts to combat organized crime. It participates in the exchange of information with the Organized Crime and Racketeering Section of the Criminal Division of the Department of Justice, as well as with other relevant federal agencies.

Bureau of Enforcement

The Bureau of Enforcement is the law enforcement arm of the ICC deriving most of its authority from Parts I, II, III, and IV of the Interstate Commerce Act and the Elkins Act. The Bureau of Enforcement gets information from the ICC Bureau of Operations and Bureau of Accounts, both of which uncover irregularities from audits, investigations, or complaints from the public. The Bureau of Enforcement decides between civil forfeiture procedures or referring cases to the Department of Justice.



In fiscal year 1973, the Bureau of Enforcement had 45 attorneys, 26 staff support members, and a budget of \$1,400,600. In fiscal year 1974, with the same staff, the budget was increased to \$1,637,600. In fiscal year 1975, it was authorized four additional attorneys and a budget of \$1,986,200, which included funds for special projects staff and costs.

#### Cases Handled

In fiscal year 1973, 185 criminal cases initiated by the ICC were concluded in court resulting in 57 permanent injunctions and fines and forfeitures totalling \$228,646. In fiscal year 1974, 176 cases initiated were concluded and resulted in 73 permanent injunctions and fines and forfeitures totalling \$831,803.

In fiscal year 1973, 459 civil cases were settled without recourse to the courts or to the Department of Justice that resulted in \$1,175,225 in forfeitures. A total of 77 criminal cases resulted in fines amounting to \$200,525. In fiscal 1974, 455 civil cases were settled without recourse to the courts or to the Department of Justice that resulted in \$1,795,215 in forfeitures. A total of 51 criminal cases resulted in fines amounting to \$784,300.

About 67 percent of all ICC cases concluded in fiscal year 1973 and 68 percent of cases in fiscal year 1974 were settled administratively for monetary forfeitures, compared with 65 percent in fiscal year 1972 and 61 percent in fiscal year 1971.

The cost of obtaining monetary sanctions decreased considerably solely through the use of the courts prior to the civil forfeiture

claims program which began in earnest in 1967.

All criminal prosecutions have continued to result from investigations conducted by the field staff of the Bureau of Operations and the Bureau of Accounts, which are coordinated with the Department of Justice by the Bureau of Enforcement.



DEPARTMENT OF JUSTICE

Introduction

Within the Department of Justice lies the primary responsibility in the Federal government's efforts against crime and protection of individual rights.

During the two years covered in this report, the Department has utilized countless resources in meeting these responsibilities in every important field--among them violent crime, narcotics, civil rights, white collar crime, organized crime, public corruption, consumer protection, and a variety of other no less important areas.

Justice is a Department of some 51,000 persons in two dozen divisions, offices, bureaus, and boards. These range from the great divisions that encompass criminal, antitrust, tax and civil rights violations, to the Federal Bureau of Investigation, the Drug Enforcement Administration, the U. S. Marshals Service and the Immigration and Naturalization Service.

It is the purpose of this chapter to relate to the Congress and to the American people some of the accomplishments and highlights forged by the men and women of this historic Department. The key to a better understanding of this chapter is to understand that it is, indeed, men and women who make the Department go forward.

Criminal Division

Enforcement of all Federal criminal laws is under the supervision of the Criminal Division, except for laws specifically assigned to other Divisions. Ten sections under the direction of the Assistant Attorney General, Criminal Division, handle the broad and diversified work of enforcing the Federal criminal statutes.

Participation in Criminal Justice Assistance Activities funded by the Law Enforcement Assistance Administration has been quite productive, though limited. The principal participation has been in projects under several of the Organized Crimes Strike Forces of the Organized Crime and Racketeering Section.

Initiated in 1966, the strike force concept is a team approach, uniting representatives in Federal investigative agencies under the legal guidance of attorneys in the Section and a United States Attorney. It concentrates efforts of all concerned Federal agencies on a single visible organized crime syndicate. Investigative information and experience are pooled. Each agency representative participates in the planning. Action information is centralized, providing for an efficient intelligence system that benefits faster and more effective means of communication among the concerned agencies.

An outstanding example of the operation of the Strike Force concept are the results of Operation Fraulein in which criminal justice assistance was a part. In fiscal year 1974, the New York District Attorney's office came to the New York Strike Force with a case that extended beyond the local investigative jurisdiction.

Operation Fraulein was an 18-month investigation of the New York Strike Force and the New York County District Attorney's Office that resulted in six Federal and eight state indictments. In this highly successful effort was the hand of local, state, Federal and international investigative forces, requiring close cooperation, effective relations and coordination, and a division of prosecutive efforts.

Involved were both state and Federal court-authorized wire-taps, two German wiretaps authorized by German courts, a sensitive international aspect in the investigation, grand jury testimony by four unindicted European co-conspirators who were granted immunity, letters rogatory in a Swiss bank transaction, and the financial support of LEAA funds.

The six Federal indictments resulted in 27 convictions (most were guilty pleas) involving cocaine smuggling, counterfeiting, extortionate credit, mail fraud, Hobbs Act extortion, and an \$18,000,000 stolen and counterfeit securities conspiracy in interstate and foreign commerce.

A total of \$35,669.39 in LEAA funds were spent for such items as travel and per diem of law enforcement officers, undercover work of local law enforcement agents and transportation and per diem of witnesses, and some equipment.

Vincent Rizzo, a reputed member of a New York organized crime syndicate, was named in five of the indictments and pleaded guilty to three after being convicted in two indictments. He has been sentenced to 20 years. Among other figures involved were Dominick Mantell, living in Miami with close ties in Buffalo; Matteo de Lorenzo, Sam Salli, Peter Raia, Isadore Marion and Phillip Tartagilia.

The major Federal prosecution concerning the \$18,000,000 securities conspiracy involved \$14,500,000 in counterfeit, with the balance taken from five separate thefts of which two were from United States mails. Named were 16 defendants of whom seven were non-extraditable Europeans. Except for one American fugitive, the others all pleaded guilty, including Rizzo and Raia.

In Boston, an LEAA grant supervised by the Boston Organized Crime Strike Force was a factor in the month-long investigation of the Boston Strike Force, the Los Angeles Strike Force, Secret Service, and the Suffolk County (Boston) District Attorney's Office that led to the breaking up of a syndicate-dominated counterfeiting ring.

On May 29, 1975, eight arrests were made in Boston, three in Los Angeles, and nearly \$1,000,000 in counterfeit \$20 bills and five automobiles were seized. Involved are major organized crime figures. The LEAA grant enabled the investigation by the District Attorney's detectives which provided the evidence linking Boston crime figures to the middleman who was apprehended when he made the sale to Secret Service undercover agents.

On May 23, 1975, in Massachusetts, a joint LEAA-funded investigation has led to the arrest by state police and FBI agents of 31 persons charged with violations of Federal gambling statutes. Leaders of the operations are organized crime syndicate members.

In addition, several other similar investigations are in progress.

During fiscal year 1973, and fiscal year 1974, Federal-State Law Enforcement Committees were established by the cognizant United States Attorneys in 27 states with the assistance and coordination of the Criminal Division's General Crimes Section and the Law Enforcement Assistance Administration. A primary objective of this program is to provide a forum in which Federal, state and local law enforcement authorities can develop prosecutive agreements to avoid duplicative prosecutions and prevent prosecutable cases from falling into gaps between Federal and state enforcement.

Recommendations of the committees which require special funding will be presented to State Planning Agencies. Currently, action is being taken to implement a pilot committee to be partly funded by LEAA and staffed by an administrative assistant in an effort to more effectively enforce certain selected concurrent jurisdiction offenses.

During fiscal year 1974, a joint program of the Criminal Division and the Bureau of Alcohol, Tobacco and Firearms was developed using strike force concepts in cities that are sources of illegal firearms. The first target city, Greenville, South Carolina, (a major source of illegal handguns in New York City crimes), developed evidence that of 2,047 gun purchasers, 215 had felony arrest records and 73 were convicted felons. The General Crimes Section also is supporting LEAA funding of BATF technical programs to make explosives more traceable.

In connection with responsibilities in bank robbery crimes, a proposal for LEAA assistance has been made to develop a profile of a bank robbery and techniques to prevent robbers from entering banks. The U. S. Marshals Service is canvassing 300 selected banks to determine securities deficiencies.

The Departments of Justice and Transportation have established an Interagency Committee on Auto Theft Prevention. In this connection, LEAA is considering a proposal to provide money for witness fees and extradition costs to state and local prosecutors on a pilot basis to enable those offices to assume responsibility for auto theft cases which cannot be absorbed by the United States Attorneys' offices.



Cargo Security Working Groups have been organized in 15 major cities through efforts of the General Crimes Section. The groups include representatives from state and local law enforcement agencies and representatives of the transportation industry. LEAA has made grants available for local law enforcement projects directed at the investigation and prosecution of receivers of stolen property or "fences", as part of the Working Group Program in the fifteen cities.

The General Crimes Section supervises enforcement of the Fugitive Felon Act, coordinating efforts to assist state and local law enforcement in locating and apprehending fugitives from justice under the act.

The Section also was instrumental in the Attorney General's creation of a Federal Advisory Committee on False Identification. The Committee includes 80 representatives from state and local government, Federal agencies, and the private sector. Five task forces are making an initial survey.

#### Office of Legislative Affairs

The Office of Legislative Affairs, under the direction of the Assistant Attorney General for Legislative Affairs, is assigned the responsibility for conducting or coordinating liaison with the U. S. Congress. The office exercises general supervision over the Department's legislative program and responds to the numerous requests and inquiries from Congressional committees, individual members, and their staffs.

These congressional liaison duties were formerly performed by the Legislative and Legal Section of the Office of the Deputy Attorney General but were transferred to the Office of Legislative

Affairs upon its creation on February 2, 1973.

The functions of the office include maintaining liaison between the Department and the Congress, reviewing and submitting Department legislative reports, coordinating the preparation of proposed departmental legislation, responding to requests from congressional committees and the Office of Management and Budget for reports on bills and proposed legislation, appearing before congressional committees on justice matters and advising the President on the legal sufficiency of much of the legislation enacted by the Congress and presented to him for approval.

Legislative Program. The most important legislative program item enacted by the 93rd Congress was the Crime Control Act of 1974, which extended the authority of the Law Enforcement Assistance Administration for an additional three years and made substantive improvements in the program. An essential provision for control of methadone treatment programs was also enacted.

The legislative program for the 94th Congress includes the following important proposed measures:

(1) The Criminal Justice Reform Act, which would substantially revise and recodify the Federal criminal law.

(2) A prohibition against employing illegal aliens that would provide sanctions against such actions.

(3) An extension of the Voting Rights Act, which would otherwise expire in August 1975.

(4) The Criminal Justice Information Systems Security and Privacy Act, which would provide meaningful controls on the collection, retention, and dissemination of such information.

(5) The Consumer Price Freedom Act, which would prohibit resale price maintenance now legal in many states.

(6) The Antitrust Civil Process Act, which would facilitate the obtaining of needed evidence in civil antitrust cases.

### Civil Rights Division

Federal criminal statutes that prohibit specified acts of interference with federally protected rights and activities are enforced by the Civil Rights Division.

The Division also enforces laws and Executive orders prohibiting discrimination in employment, education, housing, voting, public accommodations and facilities, and federally assisted programs.

Fiscal Year 1973 Activities. The Criminal Section reviewed approximately 7,000 complaints of criminal interference with the civil rights of citizens, most of which allege misconduct by police and other law enforcement personnel. More than 3,000 investigations of these complaints were conducted, and the results of 110 were presented to grand juries. Seventy-eight persons were indicted and two informations were filed against four others.

During the fiscal year, 32 cases were tried involving 61 defendants. Nineteen of these persons were convicted, and an additional 13 defendants entered pleas of guilty or nolo contendere to civil rights violations.

Significant prosecutions dealt with by the Criminal Section during fiscal year 1973 included the following:

(1) Three indictments were obtained charging violations of the slavery and peonage statutes. The indictments charged

migrant crew leaders with holding their workers in a state of involuntary servitude. In two of the cases the defendants pleaded guilty and were sentenced. A jury found the defendant guilty in the third case in September 1973. However, eight days before the defendant was to be sentenced the judge granted a directed verdict of acquittal, finding that the government had not established a prima facie case.

(2) Five members of the Michigan Ku Klux Klan were convicted in May 1973 on both counts of a two-count conspiracy to destroy school buses to be used to carry out a Federal court desegregation order in Pontiac, Michigan. The buses were destroyed by explosives on August 30, 1971.

(3) The cooperation between this Division and the Management and Labor and Organized Crime Sections of the Criminal Division resulted in several prosecutions under civil rights statutes, including the case of United States v. Pass, Prater and Boyle. The defendants in this case were charged with conspiring to deprive Joseph Yablonski of his right to be a candidate for office in a labor organization, resulting in Yablonski's death.

(4) Attorneys in the Division presented evidence before a U. S. magistrate who conducted hearings to determine whether guards of the Attica State Prison were guilty of contempt of an order of a U. S. District Judge requiring prison officials to refrain from assaulting inmates.

Fiscal Year 1974 Activities. During fiscal year 1974 the Criminal Section reviewed approximately 9,000 complaints of alleged violations of criminal civil rights laws, resulting in approximately

3,400 investigations. The results of 46 of the investigations were presented to grand juries, which returned 30 indictments charging 84 defendants. Six others were named in two informations. More than 50 of those defendants were law enforcement officers. Twenty-seven cases went to trial during the fiscal year, resulting in 13 convictions. An additional 15 persons pleaded guilty to violating criminal civil rights statutes.

Significant investigations and prosecutions by the Criminal Section for fiscal year 1974 include the following:

(1) Two migrant crew leaders were indicted for violating the peonage and involuntary servitude statutes. Both defendants were convicted and sentenced, and the convictions were affirmed by the Court of Appeals.

(2) Several Federal and state narcotics agents in Collinsville, Illinois, were indicted on charges stemming from illegal searches conducted in various homes for drug suspects. The ten defendants were later acquitted after a lengthy trial.

(3) The Grand Dragon of the Michigan Ku Klux Klan was convicted of violating the civil rights of a high school principal when he was forced from his car on a highway and tarred and feathered. Three co-defendants pleaded guilty to the charges.

(4) After an extensive investigation, a Federal Grand Jury met for six days to look into the shooting deaths of two students at Southern University in Baton Rouge, Louisiana on November 17, 1972. After evaluating all available facts it was decided that sufficient evidence could not be developed to determine whether any specific individual had violated the federal criminal civil

rights statutes.

(5) In another action, five truck drivers pleaded guilty to charges of conspiring in the death of another driver during a gasoline protest.

Fiscal Year 1975 Activities. The Criminal Section reviewed approximately 9,000 complaints alleging criminal interference with the civil rights of citizens. Nearly 3,600 of these complaints were investigated by the FBI. The results of 55 of these investigations were heard by Federal grand juries. Twenty-six indictments were returned charging 51 defendants. In addition, 9 informations were filed against 11 defendants.

During fiscal year 1975, 57 defendants were tried in 31 cases. Seventeen of these defendants were found guilty. Seventeen others pleaded either guilty or nolo contendere to violations of the criminal rights statutes.

During fiscal year 1975, significant prosecutions handled by the Criminal Section included the following:

(1) On November 8, 1974, eight former Ohio National Guardsmen were granted a directed verdict of acquittal on charges stemming from the May 4, 1970, shootings at Kent State University during a campus demonstration. The eight defendants had been indicted by a Federal Grand Jury for violating the civil rights of the four dead and nine wounded students.

(2) A significant step was taken in civil rights criminal prosecutions with the conviction of a Lake County, Indiana, attorney on charges that while acting under color of law as a court appointed attorney, he extorted funds from his pauper clients or their relatives,

thus depriving them of property without due process. An indictment was originally returned in 1971 but was later dismissed because the court did not feel that a Federal right had been violated by the defendant. The defendant was re-indicted in 1972 and the indictment was again dismissed. However, this decision was subsequently reversed by the Seventh Circuit Court of Appeals. The conviction of the defendant is presently under appeal.

(3) Ten Oklahoma State Penitentiary guards were indicted on charges stemming from the gassing of inmates that resulted in one death and from assaults that were made on inmates who were confined in the maximum segregation building by some guards.

(4) A white South Boston, Massachusetts, man was found guilty by a Federal jury of assaulting a black man while the defendant was attending an anti-bussing demonstration. The incident occurred when the victim was pulled from his car by a white mob. The jury found that the purpose of the attack was to intimidate black children from attending school in South Boston pursuant to the Boston School desegregation court order.

In other action, Federal juries convicted police officers of violating the civil rights of citizens in five separate cases. In addition, four defendants pleaded guilty or nolo contendere to charges of violating the civil rights of certain persons while acting under color of law. These cases involved beatings, an attempted rape of a female motorist, and a scheme by three narcotics officers of the New York Police Department who seized large sums of money from persons arrested and split it up among themselves.

## Antitrust Division

Enforcement Program. The Antitrust Division is charged with the promotion and maintenance of competition in the American economy. Competitive markets are believed to bring lower prices, better goods and services, and greater flexibility and responsiveness when market conditions change or innovation takes place. The division's primary responsibility for maintaining these competitive values is the enforcement of the criminal and civil provisions of the Sherman and Clayton Acts. Thus, the division concentrates the great bulk of its resources and attention on the prevention of monopolization, conspiracies in restraint of trade, and anticompetitive mergers.

The division's increasing emphasis on "hard-core" antitrust violations, such as price fixing and market allocation, as well as a slowdown in merger activity in the economy have led to a higher number of lawsuits being filed to stop illegal price fixing. During fiscal year 1974, the Department filed 67 antitrust cases in the district courts, 33 of them civil actions and 34 criminal. During fiscal year 1975, the division filed 72 district court antitrust actions, 37 of them civil and 35 criminal. Of these cases, price fixing was alleged in 31 cases during 1974 and 58 during 1975.

In fiscal year 1975, the trial began in United States v. U. S. Gypsum Co., et al., in which the nation's six largest gypsum board manufacturers and ten of their present and former top executives were indicted for an alleged criminal price fixing conspiracy affecting the price of more than \$4 billion in sales of gypsum board during the period 1960 through 1973. Several other actions have charged price fixing in service industries, such as real estate



brokerage, the transportation of mobile homes, and the provision of legal services.

The division recently filed an unusually large number of structural cases alleging the monopolization of significant markets. In 1975, the division began the trial in United States v. I.B.M., in which the division charged the world's largest computer manufacturer with monopolization. In August 1975 the division filed separate civil monopolization suits against Goodyear Tire and Rubber Company and Firestone Tire and Rubber Company, the nation's two largest tire manufacturers. Also in 1975, the division filed a civil anti-trust suit charging American Telephone and Telegraph Company and its subsidiaries with monopolizing telecommunications service and equipment in the United States.

The division has substantially increased the number of economists with advanced academic training on its staff and has reorganized its economic support functions into a new Economic Policy Office. These changes have increased the amount and sophistication of economic analysis that is brought to bear upon the division's investigations and has made such analysis available at an earlier stage of investigations. The Economic Policy Office also has begun a series of studies to identify possible collusive situations by relying upon objective economic data--such as regional price differences--rather than specific complaints. The division has established an Office of Planning and Budget to increase its capabilities for managing its resources.

Two areas that have received increased enforcement attention recently are international business transactions and problems of energy supply. This has led to a considerable increase in the size

and activity of the Antitrust Division's Foreign Commerce Section and the creation of a special energy unit.

Although the division does not issue advisory opinions, it will state its enforcement intentions with respect to specifically described business transactions when an application is made under the division's business review procedures. It was the division's practice to maintain the confidentiality of all materials relating to such business reviews until 1974, when the division's regulations were amended to provide for greater public access to business review documents.

Legislative Changes. In December 1974 the Antitrust Procedures and Penalties Act increased the penalties for criminal violations of the Sherman Act from one to three years imprisonment, and from a maximum fine of \$50,000 to \$100,000 for individuals and \$1 million for corporations. The Act also modified the procedures under which proposed settlements of government civil antitrust cases are reviewed by the district courts to increase public awareness and understanding of the government's actions in proposing settlement and amended the process of judicial review so that appeals in antitrust cases will no longer go directly to the Supreme Court, but will be heard in the courts of appeals unless the district court authorizes direct appeal to the Supreme Court.

Regulatory and Interagency Affairs. The Antitrust Division has important and growing responsibilities for supervising litigation by several Federal agencies under consumer protection statutes, such as the Federal Food, Drug, and Cosmetic Act; the Hazardous Substances Act; the Federal Trade Commission Act; the Fair Credit Reporting Act;

and the Consumer Product Safety Act. These responsibilities involve advising the agencies, aiding in the preparation of pleadings, reviewing proposed cases, and cooperating with the United States Attorneys in the trial and appeals of these matters. The division also has statutory responsibility to defend the orders of several Federal administrative agencies in the courts of appeals and continues to bear a heavy work load in this area.

The division expanded its efforts to insure that agencies with economic regulatory powers exercise such powers consistently with antitrust principles and sound procompetitive policy. The division is responsible for providing other agencies with antitrust advice, which is sometimes required by statute, as with the Atomic Energy Act, and sometimes is a matter of the division's discretion, as when it intervenes before an independent regulatory agency to argue the competitive viewpoint in a regulatory proceeding. Examples of this include pleadings urging the Securities Exchange Commission to prohibit stock exchanges from fixing brokerage commission rates, urging the Civil Aeronautics Board not to fix minimum rates for North Atlantic charter air transportation, and urging the Federal Communications Commission to adopt rules that would prohibit the same parties from owning a daily newspaper and a television station or cable television system in the same local market.

In addition to formal appearances and pleadings before the regulatory agencies, the division is responsible for a wide variety of special reports and interagency activities on matters relating to competition, and it participates in the formulation of Adminis-

tration policies and legislative proposals that bear upon competition. The division has participated in drafting legislation ending brokerage fee fixing by the stock exchanges, measures to repeal the Federal resale price maintenance enabling legislation, and proposals to reform economic regulation of several transportation modes.

At the direction of the President, the division has begun a study of statutory immunities and exemptions from the antitrust laws.

#### Office of Policy and Planning

The Office of Policy and Planning superseded the Office of Criminal Justice in July 1974. The work of the office covers the broad fields of law enforcement as well as aspects of the criminal and civil justice systems. Its responsibilities include an extensive analysis of law enforcement and criminal justice activities and recommendations for Departmental actions as well as liaison with many diverse agencies and organizations. To fulfill its staff responsibilities to the Attorney General and his Deputy the office prepares decision papers for their consideration.

Among its projects during the last year, the office coordinated the implementation of the President's clemency program for draft evaders, prepared legislative options for various aspects of the Administration's crime program, and conducted a study concerning the reauthorization of LEAA.

Current responsibilities of the office include:

- ° Studying the need for and feasibility of a central Departmental statistical capability that would coordinate the collection of criminal justice statistics.
- ° Working with the Domestic Council on a review of current policies concerning illegal aliens and drug enforcement.

- ° Planning the Departmental implementation of the Speedy Trial Act of 1975.
- ° Leading an intradepartmental task force on Indian law enforcement matters.
- ° Directing the implementation of a program for pretrial diversion into rehabilitation programs of certain federal offenders.
- ° Reviewing Departmental policies underlying grants of immunity to witnesses.
- ° Studying prosecutorial discretion in several U. S. Attorneys' Offices, with a particular focus on the relationships of the agencies involved in drug law enforcement.
- ° Coordinating the work of Departmental committees established to implement the fiscal year 1975 Presidential Objectives for Career Criminal and White Collar Crime programs.

In addition, the office is participating in several other Departmental studies designed to prompt the reform of the country's criminal laws and procedures.

#### Land and Natural Resources Division

During the past five years, the enforcement through appropriate civil and criminal litigation of the pollution control measures taken by the Environmental Protection Agency pursuant to the Clean Air Act of 1970 and the Federal Water Pollution Control Act Amendments of 1972, as well as the defense of legal challenges to those measures, has been a major activity of the Land and Natural Resources Division. Even before the creation of the Environmental Protection Agency or the enactment of the Federal Water Pollution Control Act Amendments of 1972, the division energetically attacked sources of water pollution through civil and criminal actions brought under the Refuse Act of March 3, 1899. Under the Refuse Act litigation program, more than 600 criminal actions to secure penalties for the unlawful discharges of pollutants were brought in fiscal years 1970 through 1973, and more

than 150 civil actions to enjoin the discharges of pollutants into the navigable waters of the United States were brought during the same period of time.

The Federal Water Pollution Control Act amendments enacted on October 18, 1972, while establishing a comprehensive regulatory program for the complete cessation of all discharges of pollutants into the navigable waters of the United States by 1985, expressly limited the power of the government to invoke the Refuse Act. Litigation under the Refuse Act, consequently, all but ceased after October 18, 1972, and litigation commenced over the establishment by the Administrator of the Environmental Protection Agency of standards of discharge and the terms and conditions of discharge permits issued by him. More than 70 petitions to review the actions of the Administrator under the Federal Water Pollution Control Act were filed during fiscal year 1974, and an additional 96 were filed during the first six months of fiscal year 1975. Pending the final establishment of discharge standards and the issuance of operative permits, the Environmental Protection Agency has been able to refer to this division relatively few enforcement cases under the Federal Water Pollution Control Act: only 10 civil and two criminal enforcement actions and matters were on the dockets of the division in fiscal year 1974. Fourteen additional civil and four additional criminal enforcement actions and matters have been referred for action during the first six months of fiscal year 1975.

Although few new abatement actions were filed after the enactment of the Federal Water Pollution Control Act amendments of 1972, proceedings over previously filed abatement actions required a

substantial amount of attention, and, indeed, the trial of one of these cases--the suit against the Reserve Mining Company--made unparalleled demands upon the divisions's resources. The trial of the case began on August 1, 1973, and continued without substantial interruption for more than eight months, during which 148 days were devoted to trial in court. The transcript of the trial fills 19,927 pages. On April 20, 1974, the District Court, finding that Reserve's discharges of taconite tailings into Lake Superior, and its discharges of pulverized taconite into the air, had exposed thousands of people to a substantial health risk, directed "that the discharge from the Reserve Mining Company into Lake Superior be enjoined as of 12:01 a.m., April 21, 1974."

The Eighth Circuit Court of Appeals, however, stayed the District Court's injunction, and on March 14, 1975, in its decision on appeal, the Court held that the discharges into the water and the air, because of their possible carcinogenicity, pose a hazard to health--the air discharges being more hazardous than the water discharges--but that this hazard was not shown to be so imminent as to require the immediate cessation of Reserve's mining operations. Consequently, the Court directed that Reserve be given a reasonable period of time to negotiate with the State of Minnesota for the selection of a new manufacturing site permitting the disposal on land (rather than into Lake Superior) of its taconite tailings. The Court also required Reserve to proceed with the planning and implementation of such air emission controls as may be reasonably and practically effectuated under the circumstances. The parties are now attempting to comply with the Court's decision.

Litigation under the Clean Air Act has followed a course similar to that of litigation under the Federal Water Pollution Control Act. As the Administrator of the Environmental Protection Agency proceeded to take the actions necessary to implement the Clean Air Act, numerous petitions to review those actions were filed. In fiscal year 1973, more than 70 such petitions were filed. In fiscal year 1974, 108 petitions were filed, and in the first six months of fiscal year 1975, 32 petitions were filed. Again, pending the resolution of the matters brought into litigation by the petitions to review, few enforcement actions could be filed: only two civil enforcement actions against stationary sources of pollution were brought during fiscal year 1973, only two during fiscal year 1974, and none during the first six months of fiscal year 1975.

Although proceedings leading to the abatement of normal types of pollution through litigation under the Clean Air Act are deliberate, the Act does provide a mechanism for prompt action in emergency situations, and on November 17, 1971, when the Administrator of the Environmental Protection Agency found the particulate count in a stagnant air mass over Birmingham, Alabama, to be so high that it created an imminent and substantial danger to the health of persons in that city, the division moved immediately to secure a temporary restraining order requiring 23 industrial concerns in Birmingham to cease the emission of particulates into the air forthwith. The order continued into effect until a change in the wind and a rainfall brought the particulate count down to acceptable levels.

Also, the provisions of the Clean Air Act relating to the installation of emission control devices in automobile engines are



particularly susceptible to prompt and effective enforcement, and during fiscal years 1973 and 1974 actions were brought against the Ford Motor Company and the Volkswagen Company for various infractions of the Clean Air Act. On February 13, 1973, both civil and criminal actions were brought against Ford Motor Company for more than 700 alleged instances of unauthorized maintenance on engines which were in the process of being tested for compliance with the emission limitations of the Clean Air Act, and for 350 alleged instances of failure to report the unauthorized maintenance. In the criminal action, the Ford Motor Company was fined \$3.5 million and at the same time in the civil action the company entered into a consent decree requiring it to pay an additional \$3.5 million in civil penalties. The action against Volkswagen was terminated by the entry on March 12, 1974, of a consent decree requiring the payment to the United States of \$120,000 and the effectuation of certain administrative changes to prevent a repetition of the offenses.

A major area of interest to this division is the protection of wetlands. At the beginning of fiscal year 1973, there were only 20 wetland cases on the dockets of the division. During fiscal year 1973, 57 civil and 28 criminal cases or matters were developed, and during fiscal year 1974, 55 civil and 39 criminal cases or matters were developed. The object of civil cases brought by the division is to enjoin the unauthorized filling or dredging of valuable wetland areas and in appropriate cases to require the restoration of these areas to their condition prior to the unauthorized activity. The object of criminal actions is to secure an appropriate punishment for the unauthorized activity. Both civil and criminal cases are

brought pursuant to Section 10 of the River and Harbor Act of 1899. The division during fiscal year 1974 was active in promoting an awareness among United States Attorneys of the need to protect the wetlands within their districts. This program culminated early in fiscal year 1975 in a conference held in Tarpon Springs, Florida, during which Attorney General Saxbe, speaking to a group of United States Attorneys from the Gulf Coast states, urged them to give priority to wetlands litigation.

#### FEDERAL BUREAU OF INVESTIGATION

The Federal Bureau of Investigation is the principal investigative arm of the Department of Justice.

The Bureau is responsible for investigations of violations of many Federal criminal statutes; collecting evidence in cases in which the United States is or may be a party; and performing other duties imposed by law. Its general investigative jurisdiction covers criminal, security, and civil matters.

In addition, the FBI performs a number of vital service functions of inestimable value to other law enforcement agencies, particularly at the state and local level.

Resources. The FBI maintains tight control over its fiscal operations, insuring a maximum return for funds appropriated. Careful consideration is given to the Bureau's needs and its budget requests are kept to a minimum.

#### Investigative Activities

During fiscal year 1972, fines, savings, and recoveries resulting from FBI investigative activity totaled \$547,361,685; during fiscal

year 1973, \$474,542,568; and during fiscal year 1974, \$489,224,018. This represents an average return for each dollar appropriated for FBI operations of \$1.63 for fiscal year 1972; of \$1.32 for fiscal year 1973; and of \$1.24 for fiscal year 1974.

Convictions. Convictions arising from FBI cases totaled 13,822 with the resulting imposition of sentences amounting to approximately 52,209 years in fiscal year 1972; 14,465, with sentences of 54,580 in fiscal year 1973; and 15,240, with sentences of 56,735 in fiscal year 1974.

Organized Crime. During fiscal years 1972 through 1974, the FBI's fight against organized crime achieved a number of all-time highs, prompted by a combination of additional jurisdiction, added manpower and a "target" approach of concentrating on key gangland figures and their primary sources of illicit revenue.

As a result of these efforts, 3,294 hoodlum, gambling, and vice figures--including some of the top names in the American underworld--were convicted in FBI cases. Confiscations by the FBI of cash, property, weapons, and wagering paraphernalia amounted to more than \$11 million.

During the same period, the FBI also continued its program of disseminating criminal intelligence information to other Federal, state, and local law enforcement agencies. This made it possible for these agencies to make more than 10,000 arrests of organized crime figures; confiscate almost \$5 million worth of cash, property, and wagering paraphernalia; seize some \$136 million worth of illicit drugs and narcotics; and assess tax liens against more than \$15 million worth of property arising out of Federal gambling cases.

Confidential Informants. The dissemination of FBI informant information during fiscal years 1972 through 1974 resulted in the following arrests and recoveries by other Federal and state and local law enforcement agencies:

	<u>OTHER FEDERAL AGENCIES</u>		<u>STATE AND LOCAL AGENCIES</u>	
	<u>Arrests</u>	<u>Recoveries</u>	<u>Arrests</u>	<u>Recoveries</u>
FY 1972	630	\$86,491,847	5,961	\$ 9,322,619
FY 1973	835	\$13,895,561	5,978	\$15,804,379
FY 1974	968	\$40,780,817	6,118	\$12,481,540

Arrests. Subjects of FBI investigations, including fugitives, arrested as a result of data furnished by Bureau confidential informants totaled 7,003 in fiscal year 1972; 6,475 in fiscal year 1973; and 7,051 in fiscal year 1974. Persons located after being sought for questioning in FBI cases amounted to 1,774 during fiscal year 1972; 2,016 during fiscal year 1973; and 1,938 during fiscal year 1974. Based on this same information, money and merchandise recovered by the FBI totaled \$35,693,540 during fiscal year 1972; \$53,291,978 during fiscal year 1973; and \$56,854,131 during fiscal year 1974.

Fugitive Apprehensions. Investigation by FBI agents resulted in the location of 36,287 fugitives during fiscal year 1972; 37,543 during fiscal year 1973; and 37,891 during fiscal year 1974. Locations of general fugitives (those other than deserters) numbered 15,076 in fiscal year 1972; 15,631 in fiscal year 1973; and 15,667 in fiscal year 1974. Included in the above totals for each fiscal year are individuals whom the FBI located as fugitives for state and local

law enforcement agencies under the Federal Unlawful Flight Statute: 2,942 during fiscal year 1972; 3,156 during fiscal year 1973; and 3,478 during fiscal year 1974.

#### Other Accomplishments

Federal Bank Robbery and Incidental Crimes Statute. Violations of the Federal Bank Robbery and Incidental Crimes Statute continue to be one of the most serious problems being combated by the FBI. The number of violations increased from 3,172 and 2,974 respectively during fiscal years 1972 and 1973, to 3,485 during fiscal year 1974. This was the most single-year violations ever recorded by the FBI since the passage of the statute in 1934. This 3,485 total in fiscal year 1974 consisted of 2,817 robberies, 359 burglaries, and 309 larcenies.

As violations have increased, so have convictions: 1,712 in fiscal year 1972; 1,771 in fiscal year 1973; and an all-time high of 1,871 in fiscal year 1974.

Bank Fraud and Embezzlement Matters. Embezzlements by bank employees and officers have continued to rise. Convictions in this category in fiscal years 1972, 1973, and 1974 totaled 6,842, 6,787, and 7,820, respectively. During these years, the nation's federally insured institutions reported shortages of \$123.3 million, \$135.6 million, and \$151.1 million, respectively.

Crimes Aboard Aircraft. Crimes committed aboard aircraft within FBI jurisdiction resulted in 54 convictions in fiscal year 1972, 234 in fiscal year 1973, and 128 in fiscal year 1974.

Fraud Against the Government and Bribery. Cases handled by the FBI involving fraud against the government led to convictions for

fiscal years 1972, 1973, and 1974 totaling 210, 175, and 171, respectively. Fines, savings, and recoveries for the same period were \$6,250,993; \$15,444,337; and \$2,436,783. Sharp increases were experienced in convictions of Federal Housing Administration matters totaling 35, 65, and 110 for the same respective years. Bribery convictions increased substantially during this period, totaling 26, 64, and 63, respectively.

Stolen Property. FBI investigations into violations of the Interstate Transportation of Stolen Property Statute and related matters resulted in 1,200 convictions in fiscal year 1972; 1,333 in fiscal year 1973; and 1,381 in fiscal year 1974. These convictions also resulted in fines, savings, and recoveries totaling \$63,729,662 in fiscal year 1972; \$65,891,833 in fiscal year 1973; and \$71,834,843 in fiscal year 1974.

Recent FBI investigations have placed additional emphasis on white-collar crimes and have resulted in the detection, apprehension, and conviction of numerous swindlers and confidence racket schemers.

Stolen Cars. Interstate automobile theft rings, typically composed of professional thieves and involving commercialized theft, constitute a major challenge to law enforcement. At the conclusion of fiscal year 1974, the FBI had 216 major rings under active investigation. Convictions for fiscal years 1972 through 1974 for violations of the Interstate Transportation of Stolen Motor Vehicle Statute totaled 6,110.

Cargo Thefts. Thefts from interstate shipments fall within the investigative purview of the FBI. During fiscal year 1972, 1,180 convictions were recorded; 1,146 during fiscal year 1973; and

1,005 during fiscal year 1974. Fines, savings and recoveries resulting from FBI investigations in this category totaled \$32,870,674 during fiscal year 1972; \$10,772,355 during fiscal year 1973; and \$22,038,838 during fiscal year 1974.

Intensive FBI investigations into armed hijacking rings have resulted in a large number of arrests and a significant decrease in a number of armed hijackings throughout the Northeastern part of the United States, the most prevalent area for armed hijackings.

Kidnappings. Among the violent crimes, kidnappings for ransom or other reasons continue to increase. Investigations by the FBI resulted in convictions in these cases of 96 during fiscal year 1974 which is more than double the 41 convictions during fiscal year 1972.

Assaults on Federal Officers. Assaults on FBI agents and other Federal law enforcement personnel while in the performance of their duties continue to increase. Convictions have increased from 98 in fiscal year 1973 to 124 in fiscal year 1974.

Civil Rights. Complaints alleging deprivation of rights and privileges protected under Federal civil rights statutes are investigated by the FBI. The results of these investigations are immediately furnished to the Civil Rights Division of the Department of Justice for prosecutive determination. During the fiscal years 1972 through 1974, the FBI handled 23,181 cases of this type.

Federal Lands. FBI investigations of crime on government and Indian reservations led to a total of 5,081 convictions and the location of 1,814 fugitives during fiscal years 1972 through 1974.

Bombings. In conducting the FBI's extensive internal security responsibilities, considerable information of value to other law enforcement agencies is obtained through investigation as well as from confidential informants. Noteworthy in this respect has been information about the illegal acquisition and stockpiling of weapons, ammunition, explosives, and incendiary devices. Such information is appropriately and expeditiously disseminated.

#### Service Activities

The FBI has long provided many services to Federal, state, and local law enforcement agencies on a cost-free basis. These services include training, the FBI Laboratory, the National Crime Information Center, Uniform Crime Reports, and the Identification Division.

The FBI's Training Division provides training by experienced and highly qualified FBI special agents at police schools throughout the United States and at the FBI Academy in Quantico, Virginia. Many of these FBI training personnel have advanced academic degrees.

This training includes the FBI National Academy, nationwide police-training programs, and national symposia conducted at the FBI Academy. The symposia have dealt with such topics as urban police problems, functions of urban police, terrorism, crime laboratory development and white collar crime.

#### FBI Laboratory

The FBI Laboratory, which is the finest criminalistics laboratory of its kind, examines evidence submitted by all levels of law enforcement. Evidence submitted must concern an official investigation of a criminal matter and the laboratory's findings can only be



used for this purpose. This assistance extends to providing expert testimony in criminal prosecutions.

In addition, since April 1974 the laboratory has provided specialized forensic science training for laboratory personnel in law enforcement. Courses of one and two weeks' duration in crime laboratory techniques covering a wide spectrum from basic to advanced methodology are now offered at the FBI Academy at Quantico, Virginia. These courses emphasize adapting the trainees' knowledge to evidence examinations.

#### National Crime Information Center

The FBI's National Crime Information Center is a nationwide computerized information system established as a service to criminal justice agencies--local, state, and Federal. The center through the use of computers and a communications network, makes available documented information on serialized stolen property, wanted persons for whom an arrest warrant is outstanding, and criminal histories on individuals arrested and fingerprinted for serious or significant offenses. The network is composed of criminal justice agencies in the 50 states, FBI field offices, other Federal law enforcement agencies, the Metropolitan Police Department in the District of Columbia, The Royal Canadian Mounted Police, and the police of the Commonwealth of Puerto Rico.

#### Uniform Crime Reports

The Uniform Crime Reporting Program, which has been administered by the FBI since 1930, collects, analyzes, and publishes crime figures for the United States. The information is published by the

FBI in four quarterly reports as well as in a comprehensive annual report to document current crime trends.

#### UNITED STATES ATTORNEYS

As an arm of the Deputy Attorney General, the Executive Office for United States Attorneys provides general executive assistance to, and supervision of, the offices of the 94 U. S. Attorneys. The Executive Office also maintains liaison between the U. S. Attorneys and the divisions, bureaus and offices of the Department of Justice as well as other Federal agencies.

During the past two fiscal years, two significant initiatives have been undertaken to improve the advocacy in the U. S. Attorneys' offices and to enhance the role of the U. S. Attorneys in certain policy-making areas of the Department. The first was the establishment of the Attorney General's Advocacy Institute, which was created at the direction of the Attorney General. The Institute consists of a lecture and mock trial program on trial advocacy and a series of continuing legal education seminars on topics pertinent to the work of the Department of Justice. Federal District Court Judges preside over the mock trials of the Institute. The second initiative was the formation of the Attorney General's Advisory Committee of United States Attorneys. This committee was established by the Attorney General to make recommendations on Department policies, such as those in the areas of law enforcement and management, and to promote greater consistency in the application of legal standards across the country.

The U. S. Attorneys and their staffs assist the Attorney General in the enforcement of the Federal criminal laws and represent

the United States in most of the civil cases in which the latter is involved. Including the 94 U. S. Attorneys, one for each of the judicial districts in the United States, the authorized staff level of the U. S. Attorneys' offices for fiscal year 1974 was 1,425 attorneys and 1,522 supporting personnel. As a result of a large influx in cases involving the United States in Federal District Court, the staff of the U. S. Attorneys has increased by 11 percent since fiscal year 1972, including 175 additional attorneys. During fiscal year 1973 and 1974, criminal cases filed by U. S. Attorneys totaled 89,977. Projections extrapolated from the first ten months of fiscal year 1975 indicate that well over 46,000 criminal actions will be filed during fiscal year 1975. Civil filings during fiscal year 1973 and 1974 totaled 67,633 and represented a six percent increase over fiscal year 1971 and 1972 filings. Increases in both the volume and complexity of the U. S. Attorneys' caseloads have necessitated concomitant increases in budgetary support for the U. S. Attorneys' offices. For fiscal year 1974, \$63,745,000 was budgeted to support all the various programs and functions of the U. S. Attorneys. This sum represented a nineteen percent increase over the \$53,408,000 budgeted for U. S. Attorneys in fiscal year 1973.

During the last two fiscal years, the activities of the offices of the U. S. Attorneys have expanded dramatically in scope. In the criminal area, U. S. Attorneys in many districts have noted an increase in certain areas of litigation; particularly fraud, official corruption, interstate transportation of stolen securities and mail theft. Many U. S. Attorneys, even those in smaller districts, noted an increase in the prosecution of white collar crimes. This increase

in fraud and financial crime prosecution is due in large part to an increased effort of U. S. Attorneys to plan creatively to use their resources in conjunction with the various investigative agencies of government in an attempt to deal more effectively with the nation's major law enforcement problems.

#### Crimes by Public Officials

The most important corruption case handled by U. S. Attorneys involved the former Vice-President of the United States. On October 10, 1973, the then Vice-President entered a plea of nolo contendere to a one-count criminal information charging income tax evasion for 1967. The court accepted the plea and the Vice-President was placed on probation for a period of three years in addition to the imposition of the maximum fine of \$10,000. Because of the unprecedented nature of the proceedings and the unusual historical significance of this criminal action, the government was represented at the arraignment by the Attorney General, the Assistant Attorney General in charge of the Criminal Division, and the U. S. Attorney in Baltimore.

In that same district, the highest elected public official of Baltimore County, Maryland, was convicted on 32 different counts stemming from kickbacks relating to engineering and consulting services provided to the county.

In many other districts, U. S. Attorneys vigorously prosecuted abuses of power by public officials. In Illinois for example, a Federal circuit court judge and former Governor of Illinois was convicted of serious criminal charges. The U. S. Attorney in the Northern District of Illinois successfully prosecuted a leading alderman and leader of the Chicago City Council of mail fraud in

connection with certain land deals.

In New York's Southern District, a Congressman was indicted on charges of conspiracy, perjury, bribery and conflict of interest. After a lengthy investigation, a United States Senator was indicted in Florida on charges of bribery and conspiracy in return for influencing government sponsored housing projects and mortgage insurance grants.

In addition to these well known figures, U. S. Attorneys also vigorously prosecuted many other high and mid-level public officials who had abused their position and authority.

#### Fraud

In the area of 'white collar crime', U. S. Attorneys across the country prosecuted a large number of major fraud cases. Investigations and prosecutions were conducted in areas including HUD frauds, food stamp frauds, merchandising mail frauds, petroleum pricing violations, stock manipulations and embezzlements as well as tax fraud. For example, an investigation began in April 1973 of Equity Funding Company of America, a corporation listed and actively traded on the New York Stock Exchange. Indictments were brought against 22 former executives and employees of Equity based on massive fraud concerning the sale of fraudulent life insurance policies and the marketing of securities based on false financial statements. Another significant successful prosecution initiated during the last two fiscal years involved a multi-million dollar fraud in the sale of a glamour stock on the American Stock Exchange which crashed into bankruptcy, causing losses of hundreds of millions of dollars to the investing public. Eight defendants were indicted for participating in this fraud,

including two high level executives of a prominent brokerage and investment banking house, two partners of a national accounting firm and the president and other officers of a large nursing home.

#### Narcotics

U. S. Attorneys were also busy with a rapidly expanding case-load involving violation of other Federal criminal statutes including narcotic violations. While some districts reported a slight decline in drug cases at the end of fiscal year 1974, many others reported a continued upswing in such activity. Many of the cases involved international and interstate transportation of narcotics, often in tremendous amounts. Many of these large drug prosecutions involved the cooperation of foreign governments.

#### Civil Litigation

In the civil area, U. S. Attorneys have been involved in a large number of tort claim and civil fraud cases, numerous actions filed against the officers of the Executive Branch, Freedom of Information Act cases and many other miscellaneous civil matters. U. S. Attorneys spent tremendous amounts of time in defending the United States in suits brought under the Federal Tort Claims Act. Environmental litigation has been a type of litigation that has expanded greatly in the past two fiscal years. U. S. Attorneys

a public lawyer presenting evidence to the court and jury no longer coincides with the challenges presented by modern America. U. S. Attorneys have repeatedly appeared before business and professional groups, prepared and distributed literature on white-collar crime and have launched training programs designed to improve the professional competence of attorneys. It is in these roles that U. S. Attorneys, in addition to their important traditional duties, seek to meet the contemporary needs of our nation.

#### PARDON ATTORNEY

President Ford granted 147 pardons and nine commutations of sentence during fiscal year 1975, exercising the power the Constitution vests in the President to grant reprieves and pardons.

In all, 613 new applications for executive clemency were received in fiscal year 1975; 328 were denied, and 385 were pending at the close of the fiscal year.

Background. Article II, Section 2, of the Constitution gives the President unlimited and unqualified power to grant reprieves and pardons for all offenses against the United States except in impeachment cases. He has no authority in State cases. The exercise of the pardoning authority is not subject to review by the courts and may not be circumscribed by Congress. There is no appeal from a clemency decision.

The Attorney General advises the President on all matters concerning executive clemency. As a matter of the Attorney General's staff, the Pardon Attorney, reviews all petitions for clemency, initiates the necessary investigations, and prepares the Attorney

General's recommendations to the President. The pardoning power, however, is exercised by the President personally and is not delegated to any other official or agency except in modification of prison sentences in military cases in which clemency is exercised by clemency boards within the military departments.

Pardon after the completion of sentence is the most common form of clemency, and demonstrated good conduct for a period of time after release from confinement is a customary criterion.

Recidivism Studies. A recent study based on all 194 persons who received pardons in fiscal year 1965 found that only 3 percent had been convicted of subsequent crimes. Only one percent had felony convictions, and two percent had misdemeanor convictions.

An earlier study of all 149 persons pardoned during fiscal year 1960 showed that none had been convicted of subsequent felonies, while four percent had been convicted of misdemeanors.

#### UNITED STATES MARSHALS SERVICE

The United States Marshals Service is primarily responsible for supporting the Federal judiciary, protecting the integrity of the judicial process, and performing operational and administrative assignments for the Attorney General. The Service serves writs and summonses issued by Congressional committees, governmental regulatory bodies, and Federal courts on behalf of the United States and private litigants. It maintains order during court sessions, congressional hearings, and meetings of other governmental agencies. It arrests, guards, and transports Federal prisoners. It provides security assistance to other Federal agencies. It seizes, protects, and sells



real and personal property in accordance with orders of the court. It maintains the security of deliberating and sequestered juries. It collects and disburses Department of Justice and judiciary funds. And, it protects government witnesses whose lives may be in jeopardy. In recent years the work load and the accomplishments of the Marshals Service have sharply increased in all these diversified activities.

Each of the Service's 94 districts are uniformly organized. They are authorized 2,049 full-time positions, including 94 marshals, 94 chief deputy marshals, approximately 1,600 deputy U. S. marshals, and 300 administrative personnel. The Service is also authorized 250 intermittent deputy U. S. marshal positions.

#### Judicial Security

The Service is responsible for insuring the security of the 360 buildings housing the U. S. courts as well as the personal safety of those Federal judges who have been the target of specific threats. Since fiscal year 1972, the Service carried out more than 2,200 special assignments, an increase of 400 percent over the previous three years. These assignments involved sending highly trained specialists and large numbers of other deputies to out-of-district locations, often requiring 24-hour coverage not only for judges but for members of their families as well.

#### Prisoner Movement

The marshals have custody of all Federal prisoners from the time of their arrest until the prisoner is delivered to a penal institution or released by the court. All long distance movement of prisoners is coordinated through the Prisoner Coordination Division to provide maximum security and efficiency with minimum cost. During the past

three years, the Service handled more than 400,000 prisoners, an increase of 36 percent over the previous three-year period.

To promote efficiency and productivity and to expedite the movement of prisoners, the Service has embarked on a system of using 10-passenger vehicles for the movement of prisoners within each of the 94 districts and initiated a project in cooperation with the Bureau of Prisons using specially designed buses that can transport 32 prisoners interstate with ease and security on scheduled routes.

#### Witness Security

Under the Organized Crime Control Act of 1970, the Service was given the responsibility for protecting both state and Federal government witnesses having knowledge of matters pertaining to the operations or activities of organized crime. The Service, working closely with the Criminal Division of the Department of Justice, has successfully conducted more than 1,100 witness protective assignments during the past five years.

One of the more significant witnesses who was under protective custody in the Witness Security Program was Vincent Teresa, one of the highest ranking members of the organized crime community to testify for the Federal government. Teresa helped convict more than 30 former colleagues.

#### Special Operations Group

The Special Operations Group is a highly trained, self-sufficient mobile force designed to provide a suitable Federal response short of military intervention to situations of national significance at the request of the Attorney General. In addition, this unit provides backup support for each of the Service's 94 districts. All members

are subject to 24-hour call. Elements of this force can be deployed and fully operational at any point within the United States within six hours.

Wounded Knee, South Dakota, was the scene of a 71-day seige by members of the American Indian Movement in early 1973. The Service successfully contained the violent situation. Also present at sensitive trials in the Virgin Islands; at labor unrest in West Virginia; the eviction of squatters in Pennsylvania; and disruptive trials in Kansas; the Special Operations Group fulfilled its mission of providing the Attorney General and the judiciary a versatile force of trained men who have demonstrated restraint and good judgment in addition to exceptional technical ability and physical conditioning.

#### Process and Warrants

Since 1972, U. S. Marshals have served more than 1.8 million pieces of process in support of the judicial system. In addition, they arrested more than 18,000 persons each year on arrest warrants, especially for probation and parole violations and failures to appear in court.

#### New Security Programs

The Service has cooperated with other federal agencies in pilot security programs in recent years. In the anti-air-piracy program a force of more than 250 deputy U. S. marshals were stationed at 41 major airports around the nation from 1969 through 1973 to nullify the threat of hijackers. The Service is presently helping the Defense Department obtain local and state police patrol of National Guard Armories to reduce arms thefts. It provides convoy security assistance in a pilot program for the U. S. Air Force in the movement

of missiles in the North-Central United States. And, at the request of the Department of Justice Criminal Division, the Service has conducted surveys of some 350 Federally-insured banking institutions to examine their compliance with the Bank Protection Act of 1968.

All of these programs, either those that have been historically performed by the U. S. Marshals or those new functions that lend themselves to the unique abilities of the Service, indicate the versatility of an organization created in 1789 that has grown to meet the changing needs of the Federal judiciary and the Attorney General.

#### COMMUNITY RELATIONS SERVICE

The Community Relations Service (CRS) is the non-litigative, non-enforcement arm of the Department of Justice which helps communities settle their racial disputes amicably and voluntarily--as an alternative to potentially disruptive protests or litigation in the courts. Created by the Civil Rights Act of 1964, the agency provides conciliation assistance in resolving "disputes, disagreements, or difficulties . . . based on race, color, or national origin."

CRS operates nationwide through its headquarters in Washington, D. C., and regional offices in Boston, New York City, Philadelphia, Atlanta, Chicago, Dallas, Denver, San Francisco, Seattle, and Kansas City, Missouri. Assistance is of a technical rather than a grant-making nature and, wherever possible, the work is conducted cooperatively with appropriate State and local public and private organizations and agencies.

Since the last report, CRS strengthened its conciliatory function by adding mediation, a collective bargaining process in which a

mediator--a professional trained and highly skilled in the art of conflict resolution--with sanction of the involved parties, convenes and sustains formal negotiation sessions until a mutually satisfactory settlement is reached. Included among the many things the mediator does is helping to identify and obtain relevant and needed public and private resources to impact positively on the agreement, and developing built-in mechanisms to enforce implementation of agreement provisions.

Mediation is exclusively designed to address charges brought by minority groups against policies and procedures of the nation's institutions, including the administration of justice system. It is used extensively by law enforcement administrators to resolve issues that fracture or prevent positive police-community relationships, by correction officials to address inmate grievances and thereby avoid potential turmoil and court suits, and by the courts as a non-judicial way of resolving alleged civil rights grievances in cases brought by inmates.

The average time spent mediating a case is 270 hours, representing a per case cost to the agency of \$5,643--a small price to resolve many of the grievances underlying prison turmoil and revolts.

#### IMMIGRATION AND NATURALIZATION SERVICE

The Immigration and Naturalization Service administers and enforces the nation's immigration and nationality laws. It supervises the admission, exclusion, deportation, and naturalization of aliens. The increasing number of illegal aliens in the United States has placed a renewed emphasis on the investigation of alleged violations as well as the need to patrol the borders to prevent illegal entries.

Organized crime figures, narcotics and dangerous drug traffickers, smugglers of illegal aliens and contraband, and subversives are among those persons who fall within the Service's investigative responsibility. The enforcement efforts are conducted through the coordinated activities of the Border Patrol and the Investigations Division augmented by the support functions of the Detention and Deportation Division. This includes the inspection of aliens at ports of entry to determine admissibility as well as the maintenance of a central index containing the names of all aliens admitted to or excluded or expelled from the United States.

Certain classes of persons, including persons with criminal records or backgrounds, are denied admission at the more than 400 ports of entry. During fiscal year 1974, more than 267 million inspections were conducted by INS personnel. Of this total, 529,706 were denied entry on various grounds of inadmissibility but mainly for presenting fraudulent or inadequate documents.

The fiscal year expenditures for the INS enforcement programs during the past three years were as follows: fiscal year 1974, \$121,996,000; fiscal year 1973, \$120,955,000; and fiscal year 1972, \$113,791,000. Personnel involved in the INS enforcement activities during the same three fiscal years numbered 6,420 in fiscal year 1974; 6,282 in fiscal year 1973; and 6,256 in fiscal year 1972.

Criminal immigration violations during fiscal year 1972, fiscal year 1973, and fiscal year 1974 detected and investigated by Border Patrol agents and investigators, totaled 1,777,173. Of this number, 1,656,163 were closed by waivers authorized by various U. S. attorneys. Of the 121,010 violations of the immigration and

nationality laws presented to U. S. attorneys, prosecution was authorized in 47,683 cases. During these fiscal years, 47,349 cases were disposed of, and 44,281 defendants were convicted. The actual, suspended, and probationary sentences imposed totaled 16,647 years and there were fines of \$2,622,746. Sentences of 9,564 years and fines of \$805,023 were suspended, leaving actual sentences of 7,083 years to be served and actual fines of \$1,817,723 to be paid.

#### Investigating the Status of Aliens

Aliens involved in organized crime, narcotics, subversive activities and a wide range of other criminal violations, fall within the investigative scope of INS. During fiscal years 1972 through 1974, INS investigators completed a total of 591,576 cases. Of that total, 38,106 investigations involving criminal, immoral, and narcotics charges were completed, with 6,845 applications for orders to show cause in deportation proceedings issued, resulting in the formal deportation of 1,802 aliens. The average number of deportable aliens located annually by Service investigators during the period was 127,589.

At the close of fiscal year 1974, 16 representatives of INS were on the Department of Justice organized crime strike force operating in major cities throughout the United States. The Service also assists the program of the Organized Crime and Racketeering Section, Criminal Division, Department of Justice, by taking every possible action against criminals and racketeers involved in syndicated crime, and who are found to be subject to INS action. More than 4,600 reports of completed INS investigations concerning the immigration and citizenship status of persons have been furnished to the organized crime section since its creation.

vestigative activity of the Service are the active role being played in combatting terrorism and the pursuit of alleged Nazi war criminals. An annual average of 3,233 investigations concerning possible subversives were completed during fiscal years 1972 through 1974. During the same period, Service investigators completed an average of 15,161 cases a year that involved possible fraudulent activities in attempts to circumvent immigration laws.

The Caribbean Investigations Coordination program and index is designed to deter the entry into the United States of Latin American aliens in the criminal, immoral, narcotic, and subversive categories. The index, now containing 219,165 references from INS records and reports received from other agencies, is accessible to all government investigative agencies on a 24-hour basis. During fiscal years 1972 through 1974 more than 100,000 checks of the index resulted in the location of 12,573 records.

#### Border Patrol

The protection of the United States' borders against illegal entrants, and smugglers of aliens has been the responsibility of the Border Patrol during its past 50 years of operation.

During fiscal year 1974 the Border Patrol located 634,777 deportable aliens, nearly double the number located three years earlier. During the past three fiscal years more than 1.5 million illegal aliens have been located by this uniformed enforcement body of the Service. More than 25,000 of those persons located during fiscal years 1972 through 1974 had previous criminal records.



Of the total 788,145 deportable aliens located by all Service officers during fiscal year 1974, 88 percent (693,084) entered the United States surreptitiously, not at ports of entry, thereby committing a criminal violation. Almost all, 99 percent, entered without inspection across the Mexican border. The increased use of electronic intrusion detection systems along the international land borders, particularly in the southwest, have proven to be valuable. Another aid is the use of 22 single-engine low flying aircraft assigned to high violation areas. During the three-year period more than 100,000 deportable aliens were located by the Service's air arm.

The smuggling of aliens, particularly across the Mexican border, has become an extremely lucrative illegal venture and is one of the major problems confronting the Service. During fiscal year 1974, Border Patrol agents apprehended 83,114 aliens who had been induced or assisted to enter unlawfully, nearly double the number located during fiscal year 1973. In addition, 8,074 smugglers of aliens and violators of statutes concerning the unlawful transportation of aliens were apprehended, which was 27 percent greater than during the previous year and a highly significant increase from the approximately 500 smugglers located less than a decade ago.

Service officers participated in the seizure of illicit drugs valued at more than \$56.5 million during fiscal year 1974. During fiscal years 1972 through 1974, almost 300 tons of marijuana was seized by INS officers in addition to a considerable amount of hard drugs and dangerous drug pills.

#### Detention and Deportation

INS is responsible for the removal of aliens illegally in the

United States, including those who violate the criminal statutes involving narcotics or engage in immoral activity. During fiscal years 1972 through 1974, approximately 1,790,000 aliens found to be illegally in the United States were expelled, the majority having been granted voluntary departure across the Mexican land border. During this same three-year period, the number required to depart or given formal deportation included 965 violators of criminal laws, 38 who were found engaged in immoral activity, and 1,189 violators of narcotic laws.

### Service Indices

In addition to the Service's master index, which was created pursuant to Section 290 of the Immigration and Nationality Act, various other indexes exist within the Service that not only aid in the proper enforcement of immigration laws but serve investigative agencies throughout the government. Among them are the Service's Air Detail Office, which maintains records concerning the cross-border flights of private aircraft and pilots and owners of aircraft thought to be engaged in smuggling; the Fraudulent Document Center, which is a depository for documents used by Mexican aliens to support false claims to U. S. citizenships; and Anti-Smuggling Information Centers on both the Canadian and Mexican borders.

The continued use of the Service lookout book at all ports of entry also serves as a tool in detecting undesirable aliens, as well as suspect U. S. citizens. As of November 21, 1974, there were more than 55,000 names in this book, including 8,609 entries made at the request of the Federal Bureau of Investigation and 7,000 entries resulting from requests from other Federal agencies.

## DRUG ENFORCEMENT ADMINISTRATION

The Drug Enforcement Administration was established on July 1, 1973. It is the sole agency charged with enforcement of Federal narcotics and dangerous drugs laws.

### Domestic Enforcement Efforts

DEA's enforcement resources are directed against major traffickers. Drug violators are assigned classifications according to their importance in the drug traffic. Enforcement activities are carried out by some 1,600 agents operating out of 13 regional and 106 district offices in the United States. These efforts are supplemented by special programs.

Central Tactical Units. Through these mobile units, staffed by select special agents, DEA concentrates on high-level individuals involved in the distribution of heroin, hashish, cocaine, and dangerous drugs. As a result of these operations, more than 70 primary sources of supply and financiers and 350 associates from Thailand, Hong Kong, Singapore, Mexico, Belize, Lebanon, and the United States have been indicted.

State and Local Task Force Program. DEA operates 20 task forces in 14 states. They are jointly funded with the Law Enforcement Assistance Administration and are cooperative enforcement efforts in which state and local officers and DEA agents operate as one functional unit to maintain maximum enforcement pressure on middle and upper level violators.

Operation Janus. This operation, administered in concert with the Office of the Attorney General of Mexico, provides for the prosecution of narcotic violators under the laws of both countries utilizing

evidence which is gathered in either country. To date, a number of successful prosecutions have been realized from this program. The latest occurred July 7, 1975, and involved the immobilization of a major cocaine trafficker, the seizure of over 100 kilos of cocaine as well as a cocaine laboratory, and the arrest of 25 defendants in both Mexico and the United States.

#### International Enforcement Efforts

DEA has expanded its international enforcement efforts to prevent illicit narcotics and dangerous drugs from reaching the United States. Special agent manpower overseas has been increased from 115 to 222 since fiscal year 1972. These agents are assigned to 63 offices in 41 foreign countries.

Numerous seizures of opium, morphine base, heroin, cocaine, hashish, hashish oil, and marijuana have been effected by host country personnel in liaison with DEA since July 1973. Additional resources have been provided to all phases of DEA foreign operations to develop long range bilateral and multilateral programs with counterpart narcotic law enforcement agencies in more than 100 countries. One measure of the effectiveness of these programs is demonstrated by the removal of more than five tons of heroin equivalent (opium, morphine base and heroin), from January 1973 through March 1975 by the cooperative efforts of police and DEA special agents in foreign countries.

#### Compliance

Under the Comprehensive Drug Abuse Prevention and Control Act of 1970 DEA is charged with monitoring the flow of legitimate controlled substances through the pharmaceutical industry's distribution

chain. Presently, DEA registers approximately 515,000 firms. About 2,200 of these are manufacturers and distributors.

Utilizing 180 compliance investigators, DEA conducted 1,408 regulatory investigations during fiscal year 1974 which resulted in 294 letters of admonition, 116 administrative hearings, 205 surrenders of registration, 64 requests for revocation of registration, 32 requests for denial of registration, 44 suspensions of registration and 53 arrests.

#### Office of Intelligence

DEA's Office of Intelligence is organized to service both the tactical needs of enforcement agencies and the strategic requirement of national policy makers. Its three general programs are the continuous production of tactical and operational intelligence; improved liaison with Federal, state, and local agencies including the United States Customs Service, the U. S. Coast Guard, and Interpol; and the creation of a national narcotic intelligence capability at the Federal level.

During 1974, the Office of Intelligence distributed 160 analyses of drug networks as well as 1,800 biographic profiles on traffickers and identified 9,500 illicit drug enforcement targets to Federal, state, and local authorities.

In addition, the Office of Intelligence has intelligence operation in Turkey, Mexico, Thailand, Pakistan and Colombia.

#### National Training Institute

The Drug Enforcement Administration's National Training Institute provides both basic and advanced training in drug law enforcement

skills to its own and other Federal, state, local and foreign law enforcement officials.

These training programs include basic agent courses, including intensive field training in enforcement techniques; compliance investigator training, which prepares new investigators to become immediately productive in the auditing of legitimate registrants under the Controlled Substances Act; a four-week course for intelligence analysts concentrating on the application of intelligence analysis techniques to drug law enforcement situations. In addition, from fiscal year 1969 through fiscal year 1975 approximately 3,800 DEA employees have been trained in such widely divergent subjects as foreign languages, advanced investigative skills, EEO, mid-management, aviation, and chemist programs.

In addition to the internal training programs, DEA's National Training Institute continues to offer intensive training courses for law enforcement officers in other Federal, state, and local agencies as well as foreign governments. More than 20,000 non-DEA law enforcement officers have been trained since fiscal year 1969.

#### Science and Technology

The Office of Science and Technology provides scientific support and conducts research directly related to the DEA law enforcement, intelligence and regulatory functions. Its staff of 260 includes chemists, special agents, engineers, pharmacologists, psychologists, mathematicians, biologists, pharmacists, and other specialists.

During fiscal year 1974, the number of research and development projects increased 300 percent over fiscal year 1973. Compass trip, an airborne system developed to detect with special cameras the

spectral signature of poppy fields, was successfully introduced in one foreign nation which is a major opium producer. During fiscal year 1974, 11 substances were brought under control of the Controlled Substances Act by final orders published in the Federal Register.

The Drug Abuse Warning Network, monitored by this division, is a nationwide system covering 1,300 facilities, established to identify drugs being abused and/or associated with harm to the individual and to determine patterns of drug abuse and changing trends. DAWN has generated abuse statistics on approximately 2,500 dangerous drug substances involved in 170,000 abuse episodes.

The Forensic Sciences Division is responsible for administering and managing DEA's scientific laboratory system. The seven regional laboratories analyzed 41,000 exhibits in 250,000 examinations related to investigations conducted by the DEA, state, local, and other federal law enforcement agencies.

#### BOARD OF PAROLE

The U. S. Board of Parole is responsible for determining when or if parole or reparole of Federal prisoners will take place and under what conditions. It considers alleged misconduct to decide whether parole should be revoked or its conditions altered. It determines the application of employment restriction provisions under the Landrum-Griffin Labor Act and the Employees Retirement Security Act of 1974. It decides appeals at two levels. And it provides information about the parole process and the status of individuals involved with it.

As a result of research conducted in cooperation with the

National Council on Crime and Delinquency during fiscal years 1971 and 1972, the Board of Parole revised parole decision making procedures and made a comprehensive change of organization during fiscal years 1973 and 1974. A pilot test program was conducted during fiscal year 1973. Upon the successful completion of the pilot test program, reorganization was begun and was completed October 1, 1974.

Previously centralized in Washington, the Board now has five regional parole offices with a headquarters office in Washington, D. C., which includes a newly organized National Appellate Board.

The revised procedures provide for parole hearings to be conducted by two professional parole hearing examiners. Panel decisions are tentative until the decision has been reviewed by a supervising administrative hearing examiner and approved by the regional director. Disagreement between panel members is resolved by a vote of the administrative hearing examiner.

The discretion of the hearing examiners is structured by policy decisions and policy statements of the Board. The relative severity of various offenses and objective characteristics of offenders which relate to the probability of parole success have been developed by research into a series of guidelines by which the Board instructs the panel what range of minimum and maximum months of incarceration are believed to be usually appropriate for the individual before the panel. The panel is not required to stay within the guidelines, however. It needs only to state its reasons in writing when it decides upon parole earlier or later than the guideline range.

The new procedures also provide two levels of appeal. Appeal from a parole decision is an innovation first established by this



reorganization. The regional directors form the decisionmaking element of the first appeal level. The second level is provided by the newly created National Appellate Board composed of the chairman, vice-chairman, and by one additional national director.

The revision of procedures and reorganization was intended to place parole operations closer to inmates, institutions, legal counsel, friends, family, and the sentencing courts. The change also sought to speed decisions and make them more fair, consistent, and rational. Although the new organization was completed only a few months before this writing, these goals already have been substantially accomplished.

During fiscal year 1973, the Board made 19,174 parole decisions for a prisoner population of 22,294. During fiscal year 1974, the Board made 19,400 parole decisions for a prisoner population of 23,500. At the end of fiscal year 1973 there were 13,200 persons under parole supervision after release from confinement by parole or mandatory release. There were 13,800 similarly under supervision at the end of fiscal year 1974.

This data will not be directly comparable to future data. The revision of procedures has so altered the parole system that future data will not relate properly to data recorded before the end of fiscal year 1974. However, the research data base begun in fiscal year 1971 will be continuously augmented by formal procedures instituted as part of reorganization. As the base grows, it will become an important source of research information useful for many important criminal justice purposes.

## BUREAU OF PRISONS

Persons convicted of Federal crimes are assigned to the custody of the Bureau of Prisons. When established on May 14, 1930, the Bureau was charged by the Congress to be "responsible for the safe-keeping, care, protection, instruction, and discipline of all persons charged or convicted of offenses against the United States." To carry out its responsibilities, the Bureau has 47 correctional institutions ranging from penitentiaries to halfway houses.

## National Institute of Corrections

The National Institute of Corrections was created within the Bureau of Prisons by the Juvenile Justice and Delinquency Prevention Act of 1974. The Institute is to help Federal, state, and local correctional agencies through management training, research, and evaluation. It also provides a clearinghouse and information service, policy formulation, and technical assistance. A 16-member panel of government officials and private citizens appointed by the Attorney General sets policy for the newly formed Institute.

## Inmate Population

The inmate population at the end of fiscal year 1974 was 23,690 a 1.5 percent increase over 1973. The average length of stay of the confined population rose to more than 93 months, compared to 88 months in 1973.

## Inmate Training

During fiscal year 1974 more than 8,000 Federal inmates enrolled in vocational training programs covering 52 different fields. In the first part of fiscal year 1975, seven institutions received a total of \$1 million to strengthen their occupational training programs.

While the intelligence level of Federal offenders is comparable to that of the national population, their educational achievement lags behind. Fifteen to 20 percent are unable to read at the sixth grade level. Thus, an important function of each institution is to provide educational opportunities. Inmates completing high school equivalency programs during fiscal year 1974 numbered 3,328. Almost 4,000 inmates were enrolled in college level courses during fiscal year 1974 nearly doubling the total for fiscal year 1973.

During fiscal year 1974, a University Without Walls Teacher Corp project, an experiment in higher education, was started at Sandstone Federal Correctional Institution in Minnesota. The project enables staff and inmates to earn degrees at the University of Minnesota without some of the place and time restrictions of a traditional education program.

#### Federal Prison Industries

Since its inception in 1934, Federal Prison Industries has been a wholly owned, self-supporting government corporation that manufactures products and performs services for government agencies and gives inmates an opportunity to earn money while working and training. The corporation maintains 47 industrial operations at 22 Bureau locations.

Federal Prison Industries had sales during 1974 of \$62.9 million compared to \$54 million during fiscal year 1973. Federal Prison Industries posted a net income of \$5.2 million in fiscal year 1974. More than \$4.7 million was spent for vocational training for 8,000 inmates, and another \$4.2 million was paid to inmates in wages. Products and services include automated data processing, drafting, printing, wood, metal furniture, textiles and electronic assemblies.

### Drug Program

Under Title II of the Narcotic Addict Rehabilitation Act of 1966, Federal offenders who are addicts may be committed to the custody of the Attorney General to receive special treatment. The program consists of two phases. The first takes place in institutions where the addicts receive intensive counseling. The second conducted after release, when the offender is required to participate in community aftercare treatment programs designed to prevent a return to the use of narcotics. The aftercare phase has been extended to non-program inmates by Public Law 93-292. The Bureau's anti-addiction facilities are in seven institutions. Since the program started, more than 2,500 releasees have been provided community aftercare treatment.

### Community Services

The Bureau presently contracts with 243 correctional and other facilities in approximately 200 cities that operate community based programs for the offender.

At the end of fiscal year 1974, the Bureau of Prisons had 14 community treatment centers in nine metropolitan areas. These centers accommodate more than 500 residents during the last 90 to 120 days of their sentences and offer programs to ease the transition to community life.

In addition to its community treatment centers, the Community Programs Branch maintains a field staff of 48 community program officers in 43 metropolitan areas across the country. In fiscal year 1974 these staff members found more than 3,600 jobs for former offenders at an average salary of \$3.16 an hour.

### New Facilities

Three new institutions were opened by the Bureau in fiscal year 1974. They were the Federal correctional institutions at Oxford, Wisconsin, and Lexington, Kentucky, and the Federal Youth Center at Pleasanton, California. Oxford is a medium security institution designed for 450 long-term young adult male offenders. Lexington was formerly a Public Health Service Hospital for drug addicts and a clinical research center. The Bureau transformed it into a multi-purpose correctional institution with special programs for medium and minimum custody offenders with drug abuse, alcoholism, and disabling chronic medical problems. Pleasanton is a Federal Youth Center for 250 men and women 18 to 26 years old. It has an open campus and is surrounded with an electronic surveillance system.

The fiscal year 1974 budget included \$11.8 million for improvements to existing institutions.

Future plans for fiscal year 1975 call for the completion of three metropolitan correctional centers in New York, Chicago, and San Diego. The first in the nation's history, these centers will free local jails from housing Federal prisoners awaiting trial or serving short term sentences. The centers will provide a variety of services, including medical and psychological diagnosis and community and institution based programs.

Also scheduled for completion is the Federal Center for Correctional Research at Butner, North Carolina. Sites are being selected for youth centers in the Northeast and Southeast and an adult facility in the Northeast.

New community treatment centers in Kansas City, Miami, San

Diego, and Phoenix are scheduled to open during the next few years.

### Costs

To carry out its mission the Bureau has required increased funding support. Obligations for salaries and expenses rose from \$118 million in 1973 to \$144 million in 1974.

The financial management system, an automated accounting data process, was operating in all Bureau facilities during fiscal year 1974.

Authorized employment during fiscal year 1974 rose by more than 760 to 7,286. Most of these positions were authorized for staffing the three new institutions.

### Administrative Remedies

During fiscal year 1974, the Bureau's administrative remedies procedure was initiated on a pilot basis and later adopted by the entire prison system. The procedure was a response to the Chief Justice's concern with the great increase in prisoner law suits. Since its inception, a number of courts have held that a prisoner cannot file a suit until he exhausts his administrative remedies. The program requires an administrator to provide a responsive and expeditious reply to prisoner complaints, and it provides the court with a record subject to disposition without a lengthy fact-finding hearing.

### Research Evaluation

In April 1974, the Bureau completed the first major recidivism study of the Federal prison population since 1956. The study found that two out of every three offenders released from the Bureau did not return to prison for a serious offense within a two-year period.

The study covered 1,800 inmates released in 1970.

In the study, the Bureau defines recidivism as any parole revocation or sentence of 60 days or more to prison, jail, or probation for new offenses, including misdemeanors, committed within two years of release from prison.

#### LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

The Law Enforcement Assistance Administration (LEAA) was created in 1968 with the passage of the Omnibus Crime Control and Safe Streets Act. Since that time, the Agency has made a significant contribution to the nation's criminal justice and law enforcement system, and has provided research leadership, financial support, and innovative technical assistance to state and local governments.

LEAA has helped states and localities improve their administration of justice, made significant contributions in increasing the country's knowledge of crime, and has developed proven crime control techniques. This information has helped police, courts, corrections, and other criminal justice personnel increase their effectiveness and efficiency in fighting crime and administering the law.

LEAA funding permits state and local criminal justice systems to improve their operations, provide services they could not otherwise provide, and enables them to try experimental and innovative crime prevention projects that have the potential for widespread replication.

LEAA funds also support special projects such as training and education for criminal justice personnel; technical and statistical assistance; and research and evaluation.

The key element in the LEAA program is the block grant approach,

through which states receive 85 percent of LEAA funds. Under the concept, each state receives a sum of money, based on population, to use as it deems fit to improve its criminal justice system and to reduce crime. The money is channeled through the State Criminal Justice Planning Agency. Discretionary grants, which account for about 12 percent of LEAA's funds, support programs not funded in state plans, national scope programs, or programs involving several states or jurisdictions. The remaining 3 percent is for administrative costs.

One of LEAA's most significant developments was the creation of the National Advisory Commission on Criminal Justice Standards and Goals. The Commission published in 1973 a six-volume report setting forth more than 400 standards and goals for state and local criminal justice agencies. By June 30, 1974, approximately 120,000 copies were in print. All the standards are voluntary. LEAA asked states to study the Commission's reports and other standards, analyze their criminal justice systems, then develop and adopt appropriate standards. All 55 states and territories have initiated plans to develop such standards and goals. In fiscal year 1974, LEAA allocated approximately \$32 million in discretionary grants to 37 states to develop and implement criminal justice standards and goals.



Computer technology in criminal justice has come of age in the last few years and with it the increased risk that data may be used improperly or that an individual's right to privacy might be violated. During 1974, LEAA developed and published a proposed set of guidelines designed to safeguard criminal history information and to protect the individual's rights to privacy.

In using LEAA money, most jurisdictions have given priority to improving police, courts, and corrections; reducing organized crime and juvenile delinquency; and coping with civil disorders. During fiscal year 1974, nearly 85 percent of block grant funds were used in this way. Approximately 27 percent of those funds were spent on programs to improve the ability of the police to control crime and perform effectively. Many states emphasized programs which encouraged citizen cooperation with the police, and LEAA funded many programs which focused on police-community relations.

During fiscal year 1973, LEAA began a courts initiative program in which approximately \$5 million in discretionary funds was awarded to courts improvement programs. During fiscal year 1974 the assistance increased to \$8 million, and by the end of calendar year 1974, the amount grew to \$15 million. In addition, the National Institute of Law Enforcement and Criminal Justice, LEAA's research center, awarded almost \$2.5 million to courts-related research projects. Court personnel training is a major part of the courts maintenance and improvement efforts. During fiscal year 1974 LEAA awarded \$1.2 million to support judicial training. It also provided financial support for projects to improve the quality of legal counsel and upgrade the prosecutorial function. Other projects funded by LEAA included adjudication research,

evaluation, technology transfer, and equipment for courts. Ways to reduce unnecessary court delays were investigated while other grants developed new systems for pretrial screening, settling personal disputes outside the courtroom, recording and transcribing testimony, and sentencing.

Corrections plays a crucial role in crime reduction, yet presents perplexing problems to criminal justice professionals. LEAA, recognizing the need for a vigorous corrections program, places a special emphasis on this area.

During 1974, the LEAA-funded National Clearinghouse on Criminal Justice Planning and Architecture provided assistance to almost 500 correctional agencies. LEAA also established a series of programs for correctional personnel that provides specialized training in management and interpersonal relationships. In addition, LEAA funds a wide variety of research and demonstration grants for corrections.

LEAA is encouraging a movement toward the unification of corrections systems under one state authority and has many projects to give direction and coherence to corrections reform. It aided in the development of master corrections plans for Mississippi, Oklahoma, and South Carolina and began work on a plan for Nevada. The LEAA-supported National Institute of Corrections--a national center to manage change in corrections--has helped states to develop a more effective and humane correctional system that can contribute to the safety of the community.

In 1974, new legislation to prevent and reduce juvenile crime and delinquency was added to LEAA's enabling legislation. The Juvenile Justice and Delinquency Prevention Act coordinates juvenile justice resources under LEAA. All programs

Office of Juvenile Justice and Delinquency Prevention.

Some \$140 million was awarded in 1974 for juvenile programs in prevention, diversion, rehabilitation, drug abuse, and research. LEAA's juvenile justice activities concentrated on the formulation of a national policy on juvenile justice; the coordination of juvenile justice programs at the national, state, and local levels; the development of juvenile justice demonstration projects; and juvenile justice research.

LEAA also made grants and loans to criminal justice personnel to further their education under the Law Enforcement Education Program (LEEP), the National Criminal Justice Education Consortium, the Graduate Research Fellowship Program, and the Internship Program. LEEP has grown from 20,602 students in 485 colleges and universities to more than 95,000 students in 1,036 schools. Funding increased from \$6.5 million in 1969 to more than \$44 million in 1974. Approximately 90 percent of all LEEP recipients were inservice personnel, and about 80 percent of those were police officers.

The National Criminal Justice Educational Consortium consists of seven universities which develop research activities and criminal justice graduate programs, while the Graduate Research Fellowship Program provides grants to academic institutions to support graduate students working in some area of criminal justice who have completed all the requirements for the doctoral degree except their dissertation. Under its Internship Program, LEAA provides funds which enable college students to work as interns in criminal justice agencies during the summer recess or while on academic leave.

Efforts to control organized crime at the state and local level have increased substantially in recent years, gaining impetus from funds and technical assistance provided by LEAA. LEAA is a member of the National Council on Organized Crime, which was established by the President in 1970. The Council coordinates the Federal organized crime control effort. During fiscal year 1974, more than \$50 million in LEAA funds were allocated to combat organized crime. LEAA awarded 30 organized crime discretionary grants totalling \$7,403,310, a 59 percent increase over the previous year's funding. Grants were awarded for intelligence gathering, investigation, prosecution, training, organized crime prevention councils, and corruption control.

The close relationship between narcotic addiction and crime has involved LEAA in drug abuse control programs. LEAA has improved the investigative and apprehensive capabilities of state and local enforcement agencies and has supported research and prevention and rehabilitation programs through its National Institute for Law Enforcement and Criminal Justice.

In fiscal year 1974, LEAA allocated more than \$51 million in block and discretionary funds for drug abuse projects. In addition, it provides \$1.9 million to support the Treatment Alternatives to Street Crime (TASC) program, which identifies addicts entering the criminal justice system and channels those eligible for release into treatment programs. The 18 TASC projects that were in operation at the close of fiscal year 1974 referred almost 5,000 addicts for treatment.

Crime is a difficult and complex phenomenon to which there is no easy, simple answer. In each succeeding year, LEAA has accepted the challenge of this difficult task and has given careful attention to detail in an effort to reduce crime and aid the nation's criminal justice system. Experience has shown that the principles on which LEAA was founded are sound, but constant vigilance and dedication will be needed at all times to rid the nation of crime.

DEPARTMENT OF LABOR

The Department of Labor was created by the Congress in 1913 (37 Stat. 736; 5 U.S.C. 611) as a separate department in the executive branch. It is primarily responsible for administering and enforcing statutes guarding the public interest by promoting the welfare of wage earners, improving their working conditions, and advancing their opportunities for more profitable employment. Three of its offices have functions related to Federal law enforcement and criminal justice activities.

Labor Management Services Administration

The Labor-Management Reporting and Disclosure Act of 1959 (LMRDA) and the Employee Retirement Income Security Act of 1974 (ERISA), which repealed the Welfare and Pension Plans Disclosure Act (WPPDA), administered by the Labor-Management Services Administration (LMSA), are in part authorized to provide public disclosure of certain union operations, as well as those of retirement, health, and welfare plans. They also carry criminal penalties for such acts as theft or embezzlement of union assets or employee benefit funds, extortionate picketing, kickbacks to union officials, and falsification of records and reports required by the Acts. LMSA conducts desk and field audits regularly, initiating investigations when necessary and referring some cases to the Department of Justice for criminal prosecution.

LMSA also deals with the infiltration of organized crime into labor unions through its participation in 17 organized crime strike forces across the country. The law enforcement functions of LMSA derive from statutes which provide criminal penalties for prohibited activities, and LMSA requires annual financial reports from all labor

unions, as well as reports from their officers, employers, and labor consultants falling under the limits of its authority. It also requires that democratic procedures be followed in conducting unions' affairs.

Embezzlement, unlawful payment of fines by an employer, prohibition against individuals holding union office, extortionate picketing, and deprivation of rights by acts of violence are delegated to the Department of Justice for prosecution.

The Employee Retirement Income and Security Act (ERISA) of 1974 is designed to protect the interests of participants and beneficiaries in employee pension and welfare benefit plans. It requires disclosure of pertinent financial information to participants and beneficiaries and to appropriate Federal authorities.

Audits and Investigations. LMSA conducts desk and field audits of union financial reports under the LMRDA. Investigations are conducted when audits or other information indicates the Act has been violated. Since 1972, 6,620 audits were conducted and 19,352 field investigations were closed, including 537 involving union elections.

Specifically, LMRDA prohibits embezzlement of assets of a labor organization by any officer or employee. Criminal sanctions can be imposed under the Act for filing false reports, falsification of union records, and willful failure to file required reports. The Act also prohibits unions from paying the fines of any officer or employee convicted of willful violations and prohibits loans in excess of \$2,000 to officers or employees of the union.

Desk audits are also conducted on benefit plan reports under the WPPDA, but field audits are generally not made unless at the request of the Department of Justice. During fiscal year 1972, the Depart-

ment of Labor completed 5,373 investigations of possible violations of the WPPDA. During fiscal years 1973 and 1974, 3,193 investigations of possible violations were made, and 38 cases of apparent criminal violations were referred to the Department of Justice.

Organized Crime. LMSA participates in the Federal fight against organized crime by staffing the 17 Department of Justice strike forces with compliance officers. They investigate individuals known or suspected of having crime syndicate connections. From July 1, 1972 to June 1, 1975, 81 indictments were obtained against 208 persons in cases investigated by LMSA officers. They resulted in 159 convictions.

#### Manpower Administration

Offender Rehabilitation. Under both the Manpower Development and Training Act (MDTA) of 1962, as amended, and the Comprehensive Employment and Training Act (CETA) of 1973, the Department of Labor has developed better techniques for the provision of manpower services to offenders at each stage of the criminal justice system--pretrial, probation, incarceration, parole, and post-release.

CETA also inspired basic changes in the operation of all manpower programs. The bulk of the decisionmaking responsibility shifted from the national and regional offices of the Department of Labor to the state and local government units, which are the programs' prime sponsors. The states and localities now determine the manpower needs



reexamination of its strategies. It soon concluded that top priority should be given to encouraging the more than 400 CETA prime sponsors at the state and local levels to provide manpower services to offenders and to integrate the Manpower Administration's experience in offender rehabilitation into state and local manpower systems.

As a result, the Department of Labor's Offender Rehabilitation Program since fiscal year 1974 has emphasized model development and demonstration programs designed to encourage and assist CETA prime movers to provide manpower assistance and employability service to offenders.

Research and Development. The Office of Manpower Research and Development continues to encourage and support studies and projects providing services to offenders. The two major areas of concentration during fiscal years 1973 and 1974 were pretrial intervention projects and mutual agreement programming projects. Pretrial intervention projects provide employability services to persons following arrest, but before trial, and have helped many individuals break the recidivism cycle. Court systems where such projects were first developed have continued these programs after research and development funding ceased, and pretrial intervention has expanded into many communities.

Mutual Agreement Programming is another innovation that has demonstrated its feasibility and is being used in other locations. This approach essentially reduces some of the uncertainty about parole release dates and provides for better coordination between inmate training and eventual release. During fiscal year 1975, the two major research and development innovations in the correctional area were supported employment and income support. The initial

supported employment project was located in New York City and was highly successful in rehabilitating ex-addicts. It has since expanded to other areas. The income support concept is also being expanded into additional cities for broader testing and evaluation.

#### Employment Standards Administration

The Office of Worker's Compensation Programs (OWCP), a part of the Employment Standards Administration under the Office of the Assistant Secretary for Employment Standards, administers compensation benefits to non-Federal law enforcement officers who are injured, sustain disease, or are killed under circumstances involving a Federal crime.

This program of benefits was enacted by Congress on April 9, 1968, as the Non-Federal Law Enforcement Officer Compensation Act (5 U.S.C. 8191 et seq.) in recognition of the assistance given the Federal Government by State and local law enforcement officers. The new law extended to those officers the benefits of the Federal Employees' Compensation Act (FECA).

The law provides that where State or local compensation benefits for an injured officer (or his beneficiaries in the event of death) are less than that payable under compensation plans for Federal officers, additional compensation may be paid by the OWCP.

Benefits are provided for any non-Federal law enforcement officer who is injured, sustains disease, or killed:

- (1) While engaged in the apprehension of any person who has committed a crime against the United States, who at that time was sought by a law enforcement authority of the United States for a Federal crime, or who at that time was a material witness in a criminal proceeding instituted

by the United States;

(2) While engaged in protecting or guarding a person held for the commission of a Federal crime or as a material witness in connection with such a crime; or

(3) While engaged in the lawful prevention of, or lawful attempt to prevent, the commission of a crime against the United States.

To date the total of State or local law enforcement officers, or beneficiaries, entitled to compensation benefits is 163. The total amount of compensation being paid is \$800,000 per annum.

Bribe offers, fraud, false statements, and similar criminal actions that may be associated with labor matters are referred by the National Labor Relations Board (NLRB) to the Department of Justice or to U. S. Attorneys for appropriate disposition.

In fiscal year 1974, 17 cases of suspected criminal activities were so referred by the NLRB. The agency instituted two criminal contempt actions: one for failure to comply with a court judgment enforcing a Board order, and the other for violation of a court injunction secured by the general counsel of NLRB.

### Background

The National Labor Relations Board is an independent agency created by the National Labor Relations Act of 1935 (Wagner Act), as amended by the Taft-Hartley Act of 1947 and the Landrum-Griffin Act of 1959.

It is a quasi-judicial agency with two principal functions--to investigate questions concerning employee union representation and to resolve them through elections, and to investigate and prosecute unfair labor practice charges brought against employers and unions.

Each of the five members of the Board serves a 5-year term. Headquarters are in Washington, D. C., and field operations are carried out through 31 regional offices.

### Compliance Proceedings

The general counsel, appointed by the President and approved by

enforcing a Board order is not complied with, the Board may seek civil or criminal contempt citations. Civil citations are more frequently used.

#### Criminal Activities

When it uncovers actual or potential criminal activities during its hearings and investigations, NLRB contacts the appropriate Federal, State, or local law enforcement agency.

The National Science Foundation was established by the National Science Foundation Act of 1950 (64 Stat. 149, 42 U.S.C. 1861-1879), and was given additional authority by the National Defense Education Act of 1958 (72 Stat. 1601, 42 U.S.C. 1876-1879), as amended.

The causes and nature of crime and delinquency, new methods of applying science and technology to law enforcement, the effectiveness of criminal justice methodology, and the economic effects of crime upon society are all under study through research projects supported by the National Science Foundation. The programs summarized below are carried out within the general mission of the National Science Foundation to support research and education in the sciences.

The Foundation conducts two research programs related to the field of criminal justice and law enforcement. One, in the Research Applied to National Needs (RANN) program, is directed at specific environmental, societal, and technological problems, including crime. The other, in the Social Sciences Research Program, supports research which explores social problems, including law enforcement and administration, from the perspective of economics, sociology, and other social sciences.

#### Impact of Legislation

Four grants dealing with the economic and logistical effects of legislation have been funded by NSF since fiscal year 1973. Two projects were administered by RANN totaling \$258,000.

The Office of Social Science Research (OSSR) funded two studies, for a total of \$99,300. Both were completed early this year. A team at Boston College applied systems analysis tests to a major piece of legislation to determine whether specific pro-

visions within that act tended to frustrate the purposes of the whole. A 15-month study at the University of Chicago examined the administration of the Gun Control Act of 1968 and its impact on the problems that prompted its passage through the use of sociological and demographic data manipulation.

### Courts

Given a national need for economy and the national imperative of justice to litigants, NSF has examined both theoretical and practical natures of current judicial systems and their components. A total of \$805,000 was allocated to 11 separate studies in RANN and OSSR in the area of currently functional judicial sub-systems.

More relevant to criminal justice are the remainder of the grants, one of which is finished and three of which are under way. SUNY at Stony Brook has been granted \$45,100 for a 12-month study of the psychophysical aspects of jury treatment of the defendant in murder trials under the current "guided discretion" capital punishment laws. A \$122,800 project of the University of Illinois has completed its review of the effectiveness of volunteer programs in the area of courts and corrections. Comparative data regarding state supreme courts is being analyzed by Yale University and will be used to assess differences in input and output decisions made by these tribunals over time and space. This is a 24-month study for \$138,200 and will conclude in January 1976. Finally a two-year project at the University of North Carolina is systematically investigating the adversary approach to legal decisionmaking at trial to produce a general behavioral description of this approach to conflict resolution.

Approximately \$468,000 has been allotted toward the study of

the civil justice system. The results may readily be applied to criminal justice. Most efforts in this category have been directed by the OSSR, although RANN has been responsible for four of them. RANN grants deal with the application of systems analysis to the problems of case backlogs and delay, to uncertainties as to case length, and to Codes of Civil Procedure themselves. The salient RANN study has been concerned with the transfer of effective and efficient court scheduling technology to units of local government. The Institute for Law and Social Research has been granted \$189,000 for this purpose.

OSSR grants have examined the issues of queueing and delay in the courts from similar viewpoints. A pilot study recently completed at the George Washington University has developed the early stages of a descriptive model of information flow to the Supreme Court. Northwestern University is now seeking to link social science organizational theories to trial court behavior. Another effort at Northwestern has begun to examine the use of social science data and its acceptability as a research tool to Supreme Court Justices. A Rutgers study has been addressing the same questions at lower court levels. The amount of \$46,100, which is representative of the nine grants made in this sub-area, has been granted to Yale University, where innovative procedures are being developed in the investigation and charging of crime, from a behavioral standpoint. While these efforts all relate to procedural matters, they still have some bearing on substantive criminal justice and law enforcement activities under study in the Law Enforcement Assistance Administration.



### Administrative Resource Allocation

Administration of policing efforts also falls under the scope of NSF efforts to increase the rise of science and technology by State and local governments. Many efforts in this area have been supported by NSF in the past two years, and those involving law enforcement programs have received more than \$1.5 million in NSF support. For example, several projects have investigated the diffusion of innovative techniques and technologies in municipal governments and their public safety systems, including police departments. These have been major efforts, with two requiring over \$500,000, one at RANN and one at OSSR.

### Social Sciences and Law Enforcement

Several important economic and sociological analyses of aspects of the law enforcement process have also been funded by NSF recently to define social science parameters for investigations by other government agencies. Two different evaluations of policy-related research on the exercise of discretion by law enforcement officials have been completed. Also technical, economic, legal, and sociological aspects of computer abuse (under grants to Stanford Research Institute) and of State lotteries and legalized off-track betting have been studied.

OSSR is sponsoring studies of the actual operations and consequences of law enforcement in a decriminalized area of Nevada by the University of California, Berkeley, in order to determine governmental responses to decriminalization of victimless crimes. The total NSF commitment is approximately \$300,000.

U. S. POSTAL SERVICE

Inspection Service

The Inspection Service is the investigative arm of the U. S. Postal Service and, as such, has three basic law enforcement responsibilities:

- (a) the investigation of all violations of some 85 postal-related federal statutes relating to the Postal Service;
- (b) the protection of mail, postal funds and property;
- (c) the internal audit of all Postal Service financial and non-financial operations.

The Inspection Service consists of approximately 5,600 employees, including 1,740 Inspectors and 2,600 Security Police Officers. Inspectors are assigned in all 50 states with an organizational structure of five regions and 20 field divisions. Security Police Officers are assigned to major postal facilities as a uniformed protective and preventive force.

During fiscal year 1974, 16,366 convictions were secured for postal-related crimes. Through March 1975, 13,276 convictions had been recorded. These crimes include post office burglaries and robberies, theft of mail, embezzlement of postal funds, mail fraud, assaults against postal employees, bombs and incendiary devices sent through the mail, pornography, and other violations relating to the Federal criminal statutes coming under the investigative jurisdiction of the Inspection Service. Convictions were obtained in 98.5 percent of the cases brought to trial.

Losses sustained in post office burglaries, which reached high of \$3.2 million in fiscal year 1970, were held to less than \$200,000 in fiscal year 1974, representing a reduction of over

93 percent in just four years and a return to the approximate level of losses prior to fiscal year 1964.

This reduction is the result of a concentrated attack on organized gangs of thieves and "fences," coupled with a preventive program utilizing burglar-resistant security containers and a variety of intrusion alarms to protect Postal Service assets. Investigations resulted in the recovery of \$135,000 in stamps and cash with 363 persons convicted of postal burglaries in fiscal year 1974.

No single postal crime has received more intensive attention than the mailing of a bomb parcel. During fiscal year 1974, 11 incidents involving mailed bombs occurred resulting in eight indictments and five convictions. In the current fiscal year, there have been 17 incidents involving bombs or hoax bombs. Seven indictments and four convictions were recorded through May 1975.

Investigations and enforcement of the Mail Fraud Statute, 18 U.S.C. 1341, by Postal Inspectors are also important contributions to law enforcement and the national consumer protection effort. During fiscal year 1973, there were 111,907 mail fraud complaints. This increased to 118,995 in the following year as the known public loss from mail fraud exceeded \$194 million. However, in fiscal year 1974 the public realized total savings of more than \$190 million as a direct result of the discontinuance of 4,293 fraudulent promotions. There were 1,570 arrests and 1,394 convictions obtained in mail fraud investigations.

A consumer protection program designed to assist postal customers is now in effect. Legitimate mail order businesses are notified of postal customers' complaints and urged to resolve the problems. In many cases, poor business practices are the source of the complaint,

but when fraud or misrepresentation occurs, an investigation may be initiated. Over 12,000 complaints involving merchandise or services valued at over \$334,000 were resolved in the first six months of fiscal year 1975.

The Inspection Service is also trying--with success--to curtail the unlawful possession and distribution of controlled substances. Inspectors investigate violations of the Comprehensive Drug Abuse Prevention and Control Act of 1970 involving use of the mails. In the past two and one-half years, inspectors have conducted over 9,250 narcotics investigations resulting in 2,582 arrests and 2,047 convictions. Three-fourths of all narcotics uncovered were from abroad.

Postal Inspectors enforce postal-related obscenity violations. The main thrust of these efforts is directed toward the major mail order pornography dealers. Thirty-two dealers were convicted under 18 U.S.C. 1461 during fiscal year 1974. Complaints by customers receiving unsolicited pornographic advertisements fell to 32,000, an 88 percent reduction from the record high of 284,000 in 1970, the year before enforcement of the Sexually Oriented Advertisement Statute began.

Postal stations and branches experienced an increasing number of armed robberies in recent years with 20 branch stations in Washington, D. C., alone being the target of 58 armed robberies between 1967 and 1972. In order to counter this threat to employee and customer safety, bullet-resistant security counterlines were installed at locations considered prone to armed robbery. Seventy-five stations and branches were protected by security counterlines at the end of fiscal year 1974. That number should double by the end of fiscal year 1975. There have been no successful holdups of any installations so protected.

## Security Force

The Security Force, an addition to the Inspection Service's overall security effort in 1971, is presently deployed at 85 major operating facilities across the country. Specially trained and equipped, this force of 2,644 uniformed police officers protects employees and customers as well as mail and property. They contributed to a continuing reduction of reported losses of letters and parcels and paid claims for lost, registered, and insured mail during fiscal year 1974 as well as protecting Federal courts located in Postal Service buildings.

Losses of registered mail from airline carriers totaled over \$70 million between 1967 and 1970. To reduce these losses, a dispatch system involving the concentration of registered mail on relatively few flights, coupled with the use of armed convoys to and from plane-side at major airports, was developed and implemented at 35 major airports. In the first year, losses dropped to \$440,000. The second year, losses dropped to \$120,000 and at present, they have been virtually eliminated. Subsequent developments in the field of containerization have made it possible to eliminate even some of the armed convoys originally employed.

SECURITIES AND EXCHANGE COMMISSION

The Securities and Exchange Commission was created under authority of the Securities Exchange Act of 1934 (48 Stat. 881; 15 U.S.C. 78), as amended, for the principal purpose of regulating the securities exchanges and over-the-counter markets, preventing inequitable and unfair practices on such exchanges and markets, and generally protecting the public investor.

The Commission accomplishes this by prescribing rules and regulations governing conduct of those engaged in financial activities in the United States. Compliance with the securities laws and the rules and regulations promulgated thereunder is assured through an aggressive enforcement program, including extensive investigative activity into all aspects of the financial community. These investigations may be followed by civil injunctive actions, administrative proceedings and referrals to the Department of Justice for criminal prosecution.

Organized Crime

The Commission gives high priority to those investigations involving organized crime. Liaison is maintained with the Organized Crime and Racketeering Section, Criminal Division, Department of Justice, and with Federal and state agencies concerned with organized crime syndicates.

During fiscal year 1970, the Commission established an organized crime section, with nine professionals and five clerical workers. This

proceedings for injunctive relief, or, where appropriate, it may refer the matter to the Department of Justice for criminal prosecution.

The Commission may also initiate administrative proceedings. These proceedings could result in a Commission order imposing remedial sanctions on the persons involved.

In appropriate matters, the Commission may also refer cases to State or local enforcement agencies or to industry self-regulatory organizations.

To expand the impact of its enforcement efforts and provide a broad base of input regarding possible violations of the Federal securities laws, the Commission regularly conducts enforcement training seminars at its headquarters and regional offices. The Commission also conducts regional enforcement seminars in financial centers throughout the country.

Since the Commission's work encompasses many administrative and civil proceedings, there is no breakdown on expenditures specifically in the criminal law enforcement areas.

The Commission publishes quarterly a Securities Violations Bulletin that indexes the names of individuals implicated in any public action related to securities violations on the Federal, state, or local level.

### SMALL BUSINESS ADMINISTRATION

The Small Business Administration makes loans to small business concerns, State and local development companies, and to victims of floods and other disasters. SBA also is charged with assuring that small businesses receive a fair proportion of government purchases, contracts, and subcontracts.

Statutory authority for SBA law enforcement activities lies principally in the Small Business Act (15 U.S.C. 631), the Small Business Investment Act of 1958 (15 U.S.C. 661), Title IV of the Economic Opportunity Act of 1964 (42 U.S.C. 2901), and the Small Business Protection Act of 1967 (15 U.S.C. 634 note).

#### Monitoring Loans

SBA loans are continually monitored by the SBA Office of Portfolio Review for possible irregularities such as misrepresentation, fraud, bribery, and manipulation of collateral. This monitoring activity includes coordination with other Federal agencies which may open investigations of the borrower. In addition, each small business investment company (SBIC) is examined once a year, and it may be further investigated by the SBA. In such investigations, SBA is empowered to issue subpoenas.

#### Name Checks and Referrals

During fiscal year 1973, the SBA Office of Security and Investigations checked 85,390 names of individuals through intelligence and law enforcement agencies. More than 18,100 reports containing adverse information were received, and of those 61 were sufficient to result in declining the loan application.

During fiscal year 1974, the SBA Office of Security and Investigations checked 74,847 names of individuals through in-



law enforcement agencies. More than 16,111 reports containing adverse information were received, and of those 104 were sufficient to result in declining the loan application.

Loans withheld as a result of such investigations amounted to approximately \$8,036,000, in fiscal year 1974, the first year this statistic was recorded.

During fiscal year 1973, SBA made 337 referrals to the FBI for investigation involving suspected fraud against the government or violations of other criminal statutes by SBA loan applicants or recipients. FBI investigations resulted in 29 indictments and 17 convictions.

During fiscal year 1974, SBA made 383 referrals to the FBI for investigation involving suspected fraud against the government or violations of other criminal statutes by SBA loan applicants or recipients. FBI investigations resulted in 47 indictments and 63 convictions.

During fiscal year 1973, SBA made 31 field investigations of SBA personnel resulting in 32 terminations and six resignations. Twenty-six personnel cases were referred to the FBI, resulting in five criminal convictions and seven indictments. During fiscal year 1974, SBA made 34 field investigations of SBA personnel resulting in four terminations and two resignations. Fifty-three personnel cases were referred to the FBI in fiscal year 1974, resulting in four criminal convictions and three indictments.

The Security and Investigations Program has been updated by initiating the Field Inspection Program, under which 53 district and regional offices were visited to date in fiscal year 1975. These

inspections are initiated at random by the S&I Office, and are in addition to specific requests for investigation.

Public Education Program

The SBA carries on several activities designed to educate the public in general and small businessmen in particular about crime prevention. SBA management assistance personnel, for instance, with 89 field offices throughout the United States, cooperate with local organizations to co-sponsor crime prevention meetings.

Police officers, security personnel, attorneys, and others are made available to discuss such topics as shoplifting, employee pilferage in stores and plants, burglary, robbery, and bad check passing. There were an estimated 400 such conferences attended by more than 20,000 small businessmen during the year.



SMITHSONIAN INSTITUTION

The Smithsonian Institution is an independent establishment created by an Act of Congress on August 10, 1846 (9 Stat. 102; et seq., 20 U.S.C. 41 et seq.). It is under the direction of a Board of Regents. The Secretary is its executive officer and is responsible only to the Board of Regents. The Institution is not a Government agency but an instrumentality of the United States.

The Secretary of the Smithsonian Institution and the Board of Trustees of the National Gallery were authorized, respectively, to establish special police forces for the protection of buildings and grounds under their control by Act of Congress on October 24, 1951, as amended (40 U.S.C. 193 n-x). The National Zoological Park Police and the Smithsonian Institution Protection Force exercise this authority.

The Smithsonian Protection Force currently consists of more than 400 men and women: police, guards, canine handlers, investigators, alarm control operators, and technicians. The Zoo police consists of 30 men. Both forces work closely with the U. S. Park Police (USPP) and the District of Columbia Metropolitan Police Department (MPD), relying upon them for technical assistance, in the case of bomb threats, for transportation, and for the lockup of prisoners. Serious offenses continue to be referred to the Park Police, the Metropolitan Police, and the FBI.

The Smithsonian Institution is involved in the fields of research education and public service. Some of its programs are designed to provide assistance to federal and state law enforcement agencies.

Scientists and curators in various divisions of the Institution

are frequently requested to identify stolen objects and forged documents.

The division most frequently called upon is Physical Anthropology. In fiscal year 1972, there were 22 FBI requests requiring forensic medical examinations and/or scientific identification of skeletal remains; other agency requests totaled 21 (one of which consisted of 17 skeletons recovered from an aircraft accident). In fiscal year 1973, FBI - 21, other agencies - 16; in fiscal year 1974, FBI - 22 (including three animals), other agencies - 17 (including one animal); in fiscal year 1975, FBI - 36, other agencies - 27.

Other agencies include the U. S. Navy Bureau of Medicine, U. S. Army Medical Division, Armed Forces Institute of Pathology, Offices of the Chief Medical Examiner of Florida, Maryland, Virginia, Washington, D.C., and Delaware, and various state law enforcement agencies across the nation.

DEPARTMENT OF STATE

The Department of State initiates action abroad that promotes the nation's domestic objectives, including effective law enforcement.

The Department formulates and executes foreign policy affecting law enforcement in such important areas as the international narcotics traffic, aerial piracy, and terrorism.

During fiscal year 1975, the Department of State mobilized and coordinated the Federal Government's efforts in combating two significant problems of international concern, narcotics traffic and international terrorism. The Secretary of State chairs both the Cabinet Committee for International Narcotics Control and the Cabinet Committee to Combat Terrorism. Continuous coordination and management is accomplished through working groups functioning under the respective Cabinet Committees.

The Department of State also was active in criminal investigations, the extradition of fugitives, and the security of diplomats and other internationally protected persons.

Scope of Activities

Major Department activities concerning Federal law enforcement and criminal justice assistance take place in the following areas:

Cabinet Committee for International Narcotics Control

The Department coordinates international cooperation efforts, bilateral negotiations with other foreign states, the encouragement of more effective United Nations activity against drug abuse, and the multi-lateral negotiation of international agreements on drug control.

In addition, the Department informs traveling Americans about foreign drug statutes and seeks to assist Americans detained for violating those laws.

The Cabinet Committee was established on September 7, 1971, and is charged with formulating and coordinating all Federal Government policies on curtailing and eventually eliminating the flow of illegal narcotics and dangerous drugs into the United States from abroad.

#### Bilateral Action

The Department of State has developed mutual assistance arrangements with a number of countries against illegal drug traffic.

Mexico was the focal point of a major opium poppy eradication effort and an intensified illicit narcotics traffic interdiction program. These efforts resulted in the destruction of more than 4,000 acres of cultivated opium poppies and the seizure of sizeable quantities of heroin and opium.

A program to support narcotics enforcement units in the cocaine belt (Bolivia, Colombia, Ecuador, and Peru) was enlarged during fiscal year 1975 in a major effort to curtail cocaine traffic.

#### UNITED NATIONS

The United Nations plays a key role in encouraging and directing international efforts to cope with the drug problem. The economic and Social Council has primary responsibility within the United Nations for this task, which it in turn delegates in part to the Commission on Narcotic Drugs.

#### Multilateral Treaties

The United States has taken a leading role in negotiating two major international agreements providing for controls over narcotics and dangerous psychotropic drugs:

Single Convention on Narcotic Drugs. In March 1971 the United States initiated proposals to amend the Single Convention on Narcotic Drugs of 1961.

That convention, to which 110 foreign states are parties, is the basic international treaty providing for the international regulation of narcotic drugs, such as opium and heroin.

Protocol Amending the Single Convention. A 97-nation United Nations Plenipotentiary Conference in Geneva, called by the Economic and Social Council at the request of the United States, adopted a protocol amending the Single Convention on March 24, 1972.

Convention on Psychotropic Substances. The President is awaiting the advice and consent of the Senate for the ratification of the Convention on Psychotropic Substances, which was adopted by a plenipotentiary conference in Vienna in February 1971.

#### Cabinet Committee to Combat Terrorism

The Department coordinates domestic and international efforts to combat terrorism through the Secretary of State's chairmanship of the Cabinet Committee to Combat Terrorism. Formed in late 1972 as an outgrowth of the tragic massacre of Israeli athletes at Munich Olympic Games, the committee was told to develop effective means of coordinating the intelligence resources of the United States and cooperating governments to combat terrorism and to develop effective means for providing physical security for United States interests abroad and foreign diplomatic interests in the United States.

#### Aerial Piracy

Aerial piracy has received major attention from the Department of State during the last few years.

The threat to international air safety posed by hijacking had become an acute problem by 1968. The international civil aviation



community recognized this fact, and the International Civil Aviation Organization Assembly in that year began a study of concrete international measures.

The United States has taken leadership roles in achieving international action against hijacking. It actively participated in the three conventions dealing with this grave international problem.

The Convention on Offenses and Certain Other Acts Committed On-Board Aircraft, (the Tokyo Convention) gives the foreign state of registration of an aircraft criminal jurisdiction over all offenses committed on board, and requires a contracting state in which a hijacked aircraft lands to permit continuation of the journey of passengers and crew and to restore the aircraft to those entitled to possession.

The Convention for the Suppression of the Unlawful Seizure of Aircraft (the Hague Convention) aims at the would-be hijacker, providing that any hijacker who enters one of the states contracting to the convention will either be extradited to another foreign state or prosecuted where he is found.

The Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (the Montreal Convention) aims at preventing aircraft sabotage. It also provides for extradition or prosecution of offenders.

In 1973 the United States concluded a bilateral agreement with Cuba to prevent the recurring hijacking of civil aircraft to Cuba. Since this agreement there have been no hijackings of commercial airliners to Cuba.

## Criminal Investigations

The Department of State may discover and develop evidence of crimes against the United States during the course of its continuing investigations and inquiries. If so, the Department refers the evidence to the Department of Justice for an appropriate disposition.

The Department's passport regulations provide for a refusal or revocation for a person who is the subject of a Federal felony warrant, including a fugitive felony warrant, for persons fleeing serious state charges. The refusal or revocation of a passport can restrict and sometimes prevent the international movement of a fugitive.

## Mutual Legal Assistance

The United States has concluded a treaty with the Government of Switzerland for mutual assistance in criminal matters. The treaty was signed in Bern on May 25, 1973, and is awaiting submission to the Senate for ratification.

The treaty will provide a mechanism for law enforcement agencies of the respective countries to request and obtain specific assistance from the appropriate authorities of the other, including the aid of the courts of the other country.

## Extradition of Fugitives

The Department of State is responsible for international extradition and return of certain fugitives.

The Department in fiscal year 1975 continued its efforts to modernize extradition relations by negotiating amendments to existing bilateral treaties or of new comprehensive bilateral treaties.

In 1975 new treaties with Canada and Australia were submitted to the Senate for advice and consent. Upon completion of favorable

Senate action they will be ratified and enter into force.

During fiscal year 1975 negotiations were substantially concluded with Chile and Finland.

## DEPARTMENT OF TRANSPORTATION

The Department of Transportation is responsible for developing fast, safe, and efficient means of transportation throughout the country and for reducing and preventing criminal actions in all modes of transportation. The Department achieves this by developing measures to eliminate air hijackings within the United States and by working closely with other countries to prevent acts of air piracy.

The Department does not have the authority to prosecute under criminal statutes. But it does set security standards, and it cooperates with the Department of Justice in efforts to apprehend and punish violators.

### Civil Aviation Security Program

In January 1973 the rising number of air hijackings forced the Department of Transportation to shift from voluntary controls to the mandatory procedures prescribed by Federal Air Regulations to prevent air piracy. From 1969 until the new rules went into effect, 69 scheduled U. S. airliners had been successfully hijacked; since then--until the time of this report--no hijacking attempt has been successful.

U. S. airlines screen all passengers and hand-carried belongings for weapons. Airport operators provide an armed, uniformed law officer at each screening point. Civil aviation security was further strengthened in August 1974 when Public Law 93-366 went into effect. Among its provisions, the statute requires foreign airlines operating to, from, and within the U. S. to screen passengers and belongings in the same manner as do U. S. airlines.

### National Cargo Security Program

The Department of Transportation has encouraged American industrial

firms to participate in a national voluntary effort to control cargo theft. The program provides motivation and technical assistance to the transportation industry and issues Cargo Security Advisory Standards to prevent cargo thefts. DOT has developed a computer system for processing loss data to determine whether the voluntary program is reducing the more than \$1 billion lost annually through cargo thefts.

On January 27, 1975, President Ford issued Executive Order 11836, which formally established the National Cargo Security Program and made specific action assignments within the Executive Branch. The Order requires the Secretary of Transportation to report to the President on March 31, 1976, and annually thereafter, on the effectiveness of the voluntary program. At that time there will be a recommendation either to continue the voluntary program or to formulate regulations needed to bring cargo theft under control.

#### FEDERAL AVIATION ADMINISTRATION

The Federal Aviation Administration operates a number of programs which concern Federal law enforcement and criminal justice activities. These programs focus primarily on anti-hijacking and anti-sabotage measures and the prevention of crimes affecting civil aviation security.

Other programs involve the prevention of drug-abuse; aircraft theft; criminal activities involving the utilization of aircraft; assistance to Federal, state, and local law enforcement agencies and to foreign governments.

There were 1,453 bomb threats made against aircrafts during 1974. The program sponsored by the FAA has teams of law enforcement experts, X-ray machines, and explosive-sniffing dogs available at 20 airports

throughout the country. No aircraft is ever more than one hour from any of these airports, where it can land and be checked for explosives. The FAA has made tests to find out where a bomb can be placed in a plane that will cause the least amount of damage in case of detonation during flight.

The FAA requires U. S. airlines operating over foreign routes to maintain the same security standards overseas that are in effect here. The Agency also offers to train foreign law enforcement and aviation officials in aviation security matters. Foreign governments may request FAA technical assistance teams to review their security requirements and to assist them in developing aviation security programs.

#### UNITED STATES COAST GUARD

The U. S. Coast Guard, DOT's second largest operating administration, is the primary maritime law enforcement agency of the U. S. Government. The statute, which gives the Coast Guard general law enforcement power, authorizes its personnel to make searches, seizures, and arrests on high seas and waters in which the U. S. has jurisdiction to prevent, detect, and suppress violations of the law. Other statutes specifically empower the Coast Guard to act in certain situations as a primary or secondary law enforcement agency.

In meeting its general law enforcement responsibilities, the Coast Guard concentrates on regulating marine traffic control and safety; protecting the safety of ships, boats, ports and offshore structures; enforcing laws, treaties, and other agreements involving environmental protection and conservation; and acting as the primary law enforcement agency when any crime is committed on the high seas. Port security

forces work closely with the Bureau of Customs and the Immigration and Naturalization Service to control smuggling and the entry of illegal aliens.

Under the Federal Water Pollution Control Act amendments of 1972, the Coast Guard regulates pollution prevention facilities throughout the United States and up to 12 miles offshore. Civil penalties are levied by the Coast Guard for any harmful discharge of oil.

Under the provisions of the Marine Protection, Research and Sanctuaries Act, the Coast Guard maintains surveillance to insure that all ocean-dumping material from U. S. ports is loaded, transported, and discharged according to requirements of the Environmental Protection Agency or the Army Corps of Engineers.

The Coast Guard acts as the primary law enforcement agency when any crime is committed on the high seas. The wide deployment of Coast Guard ships, stations, personnel, and its maritime expertise assists in a variety of enforcement functions. The Coast Guard works closely with the Drug Enforcement Agency and the Bureau of Customs to stop the flow of drugs into the United States.

#### FEDERAL HIGHWAY ADMINISTRATION

The mission of investigating alleged irregularities and improprieties in the administration of Federal or federally aided highway programs is assigned to the Office of Program Review and Investigations of the Federal Highway Administration.

land speculation, bribery, false statements, collusion, conflict of interest, and impropriety of action by Administration employees, or state, or other political subdivision employees.

In addition to undertaking its regular responsibilities and obligations, the Office's Investigations and Special Inquiry Division assists various state agencies in matters of concurrent and related interest. During fiscal years 1973-1975, investigations conducted jointly by the Investigations and Special Inquiry Division and by state investigators resulted in several prosecutions.

Bureau of Motor Carrier Safety. Enforcing motor carrier safety regulations has been assigned to the Bureau of Motor Carrier Safety within the Federal Highway Administration.

The Bureau works closely with state and local agencies to enforce laws concerning the safety of motor carrier operations, the safe movement of hazardous materials by highway, and motor carrier noise standards. It also administers the highway carrier aspects of the DOT Cargo Security Program.

#### NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Since 1966, state and local police agencies have improved their traffic law enforcement capabilities by using Federal funds provided by the National Highway Traffic Safety Administration to begin programs and acquire needed equipment. Emphasis is now on programs which require a minimum purchase of equipment.

One program involving five police agencies, operational for three years, is the Selective Traffic Enforcement Program which has proved effective in criminal law enforcement. The program was designed



to test traffic enforcement countermeasures to determine the most efficient method of reducing traffic accidents and obtaining voluntary compliance with traffic laws.

URBAN MASS TRANSPORTATION ADMINISTRATION

The Urban Mass Transportation Administration funds technical studies; capital purchases; operating assistance; and research, development and demonstration projects.

UMTA's one funding project concerning law enforcement activities is a transit security study in Chicago, Illinois. The first phase, funded for \$140,000 and now completed, identified the extent of the security problem at rail rapid transit stations operated by the Chicago Transit Authority and the means required to alleviate the situation. Phase II will demonstrate the effectiveness of security devices and techniques at the stations identified in Phase I.

DEPARTMENT OF THE TREASURY

The Department of the Treasury was created by an Act of Congress on September 2, 1789, to manage the fiscal affairs of the nation.

Treasury shares with the Department of Justice major responsibilities for the detection and apprehension of violators of Federal criminal laws. The two departments have the principal Federal investigative, arrest, and prosecutive powers, but areas of special concern to Treasury have been defined by Congress to include the supervision of laws on income and other taxes, customs, the counterfeiting of currency, and the protection of the President and other officials.

The other areas where Department of the Treasury law enforcement efforts mesh closely with those of other departments, especially Justice, are primarily the campaigns against organized crime, the traffic in narcotics and dangerous drugs, and the regulation of explosives.

Organized Crime and Narcotics Traffic

Among Treasury's programs to combat organized crime is the Internal Revenue Service's efforts to identify groups and individuals who have failed to report and pay income tax on substantial profits from illegal activities.

The Department's anti-narcotics program is designed to enforce the tax laws and, as a result, disrupt the narcotics distribution by reducing the drug dealers' working capital. The program is being conducted in cooperation with the IRS, the Department of Justice, the Drug Enforcement Administration, and the U. S. Customs Service.

The U. S. Customs Service is an important participant in the

campaign against the illegal importation of narcotics and dangerous drugs and against organized crime through its interdiction of illegal drug traffic at the U. S. borders.

In addition, the Office of Law Enforcement, whose functions will be detailed later, studies various national and international aspects of the narcotics problem. This Office provides staff support to the Secretary, who is a member of the Cabinet Committee on International Narcotics Control and to the Assistant Secretary, who represents Treasury on the committee's working group.

#### Enforcement and Operations

Assistance to the Secretary on all law enforcement matters is provided by the Assistant Secretary (Enforcement, Operations, and Tariff Affairs). The Assistant Secretary formulates law enforcement policies for all Department of the Treasury law enforcement activities and coordinates Department law enforcement cooperation with other Federal agencies and with State and local law enforcement agencies.

Among the constituent bureaus and agencies of the Department of the Treasury, the Assistant Secretary supervises the U. S. Secret Service; the U. S. Customs Service; the Consolidated Federal Law Enforcement Training Center, which trains Federal investigators; and the Bureau of Alcohol, Tobacco, and Firearms, which is responsible for the regulation of guns and explosives. The Assistant Secretary is also the States representative to the International Criminal Police

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\_\_\_\_\_ The Office of Law Enforcement develops and advises on all Department of the Treasury policy concerning national

and international law enforcement programs, including narcotics and dangerous drugs and organized crime. The Assistant Secretary also utilizes the Office of Law Enforcement for the general review and programming of law enforcement activities.

The Office of Law Enforcement oversees the enforcement policies and programs of the U. S. Secret Service; the U. S. Customs Service; the Bureau of Alcohol, Tobacco, and Firearms; and the U. S. National Central Bureau of INTERPOL. In addition, the Assistant Secretary advises the Secretary and the Department of Treasury on current policies of all Treasury agencies including the IRS. The enforcement functions of the IRS consist of the Intelligence Division and, in part, the Audit Division, both of which report to the Assistant Commissioner (Compliance) of the IRS.

The Office of Law Enforcement is the focal point for all law enforcement and intelligence policy initiatives with the individual bureaus of the Treasury; other departments and agencies of the Federal government; other levels of government; the governments of other nations; and INTERPOL.

#### INTERPOL

INTERPOL promotes cooperation and assistance among the 120 member countries to combat crime. The Department of the Treasury has represented the United States since 1958 in INTERPOL and operates the U. S. National Central Bureau, which coordinates all INTERPOL requests States. The INTERPOL office in each member country, Central Bureau (NCB) through which incoming enforcement units are channeled to the proper government agency and through which the outgoing domestic

requests are funneled to foreign NCBs. INTERPOL itself does not have an investigative or police force but serves as a coordinating and information-directing vehicle for operational criminal justice agencies. The Washington NCB is available for assistance to all U. S. Federal, State, and local law enforcement agencies.

In fiscal year 1975 INTERPOL assisted local, state and Federal law enforcement agencies in the U. S. with 1,560 criminal investigative requests to foreign NCBs and aided foreign law enforcement with 2,940 criminal investigative requests to U. S. agencies. On May 30, 1975 the U. S. National Central Bureau was awarded the Presidential Management Improvement Certificate "For Excellence in Improvement of Government Operations."

#### CONSOLIDATED FEDERAL LAW ENFORCEMENT TRAINING CENTER

The Consolidated Federal Law Enforcement Training Center, organized in 1970, provides legal and technical enforcement training for the agents of 24 participating agencies. The Center will soon obtain facilities at the Glymco County Naval Air Station in Georgia. Once the Center is completed, it is estimated that it will train 8,700 students a year.

#### UNITED STATES SECRET SERVICE

The Secret Service protects the President of the United States and his family, the Vice-President and his family, major presidential and vice-presidential candidates, visiting foreign heads of state, and other designated officials and dignitaries. It also suppresses counterfeiting as well as investigates the forgery of government checks and other documents.

As a result of increasing protective and investigative responsibilities, the Secret Service annual appropriations for fiscal year 1975 increased to \$82,800,000, as compared to \$70,025,000 for fiscal year 1974.

The investigative responsibilities of the Secret Service--suppression of counterfeiting and forgery of U. S. Government checks and bonds--are defined in Section 3056, Title 18, U. S. Code.

Counterfeiting activity continues to rise despite increased investigative activity, with counterfeiters producing more counterfeits in each succeeding year. During fiscal year 1974, counterfeiters produced \$21.4 million in counterfeit currency--with losses to the public amounting to only \$2.43 million. However, in fiscal year 1975, the counterfeiter produced \$46.5 million in counterfeit currency. Of this amount \$43.5 million, or 93 percent, was seized before it could be passed on the public. Arrests for counterfeiting in fiscal year 1975 totalled 1,700--a 40 percent increase over fiscal year 1974.

In another area of the Service's investigative responsibility--forgery of U. S. Government checks and bonds--there was also increased activity. The Secret Service investigated 75,000 checks during fiscal year 1975, compared to 66,282 during fiscal year 1974. In addition, 9,050 bonds were investigated by the Secret Service in fiscal year 1975.

In the area of bond forgery, the Service arrested 190 persons during fiscal year 1975--a decrease over the 210 arrested during the prior fiscal year.

During fiscal year 1975, 10,500 stolen bonds were recovered prior to their redemption. The face value amounted to \$1,100,000.

Executive Protective Service. The Executive Protective Service (EPS), a uniformed division of the Secret Service, is charged with protecting the White House, buildings in which Presidential offices are located, and 127 foreign diplomatic missions located at 295 locations in the metropolitan area of the District of Columbia. EPS protection has also been afforded at Presidential direction on a case-by-case basis for foreign diplomatic missions located in other areas of the United States.

Treasury Security Force. The Treasury Security Force, another uniformed division of the Secret Service, is charged with the responsibility of protecting life and property at the Main Treasury Building and the Treasury Annex in Washington, D. C.

In addition to its regular duties, the Treasury Security Force provides: security during press conferences of the Secretary; security escorts for the Office of the Treasurer; roof-top surveillance posts during White House south ground ceremonies; and security of the Cash Room in the Main Treasury Building.

Organized Crime. The Secret Service, in conjunction with the Department of Justice, continued its active participation in the Organized Crime Strike Forces program.

During fiscal year 1975, 17 Special Agents were assigned to the various strike forces throughout the country. In addition, 95 separate investigations, designated as organized crime matters, were being field offices.

Training. The increased threat of terrorist activities has emphasized the need for dignitary protection training in police departments throughout the United States. The Law Enforcement

Assistance Administration supports a joint U. S. Secret Service and Federal Bureau of Investigation sponsored Dignitary Protection Seminar for top command officers of police departments throughout the country.

#### UNITED STATES CUSTOMS SERVICE

The U. S. Customs Service enforces the collection of duties on goods entering the United States from foreign countries and bars dangerous articles from the United States. It identifies and suppresses smuggling and is concerned with the illegal entry of narcotics and other dangerous drugs.

In fiscal year 1974, Customs cleared more than 259 million persons arriving in the United States, 8 million more than the previous year. More than 74 million cars, trucks, and buses crossed the country's borders; an additional 118,700 ships and 364,000 aircraft were also cleared for an increase of one million more carriers than in 1973. Some 76 million baggage examinations were made and 13 million Customs declarations processed.

There were 46.6 million foreign mail parcels processed requiring over two million informal mail entries. In all, Customs collected a record \$4.27 billion in duty and taxes and processed \$82.1 billion worth of imported goods; 34 percent more than in 1973.

With more than 500 remote terminals, most of which are located at ports of entry to the U. S., Customs uses the Treasury Enforcement Communications System (TECS) to process individuals, vehicles, aircraft and ships entering the United States. A data base of more than 350,000 records is linked with the FBI's National Crime Information Center (NCIC) and the National Law Enforcement Teletype System (NLETS) to permit



Customs officers to check for smuggling suspects, fugitives, wanted persons and suspect vehicles. In fiscal year 1975, TECS furnished 21,232 pieces of positive information which resulted in 717 arrests of wanted felons.

Customs special agents are currently engaged in cases involving the smuggling of art, artifacts, and precious gemstones; and the smuggling of large amounts of currency into and out of the country. An on-going investigation involves 40 different ports and over 120 larger volume oil importers. It focuses on the suspected false documentation of oil importations.

The workload of special agents increased in fiscal year 1975-- with 25,000 investigative cases opened, 25,000 closed and a backlog of 16,500 cases at the end of the fiscal year. Since the realignment of the enforcement program in fiscal year 1974, there has been a continuing transition to more complex, more time-consuming investigative cases with larger revenue payoffs and much larger backlogs. Therefore, backlog reduction is one of the top priority objectives of the Office of Investigations in fiscal year 1976.

#### BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

The Bureau of Alcohol, Tobacco, and Firearms enforcement responsibilities include the Federal firearms and explosives statutes and regulations; the arms import provisions of the Mutual Security Act of 1954; the wagering tax statutes and criminal violations concerning the production and distribution of distilled spirits. In his June 19, 1975, crime message to Congress, President Ford called for additional steps to suppress the illicit use of handguns by criminals. He directed that the Bureau of Alcohol, Tobacco, and Firearms double its investi-

gative efforts in the nation's ten largest metropolitan areas to assist local law enforcement authorities in controlling illegal commerce in weapons.

The Bureau has developed the Significant Criminal Armed and Dangerous Enforcement Program to identify and apprehend criminals who illegally use guns and bombs/explosives. In the brief period since its inception in November, 1974, 1,064 criminals have been identified as "armed and dangerous" and were subject to active criminal investigation by ATF. By May 15, 1975, a total of 423 armed and dangerous criminals were recommended for prosecution. Of these, 366 were actually arrested.

The National Firearms Tracing Center, located at ATF headquarters, has processed approximately 73,000 firearms traces since its creation in October 1972. Sixty percent of these were traced to the original retailer or the first non-commercial transferee.

The Bureau plans to reassign special agents into high crime areas. Man-year as well as dollar disbursements in the areas of firearms and explosives enforcement will be increased as a result of this priority. ATF is doubling the size of its investigative efforts to assist local authorities in controlling violent career criminals.

#### INTERNAL REVENUE SERVICE

The mission of the Internal Revenue Service is to encourage and achieve the highest possible degree of voluntary compliance with U. S. tax laws and regulations and to achieve the highest degree of public confidence in its integrity and efficiency. This includes communicating the requirements of the law to the public, determining the extent of compliance and causes of noncompliance, and doing all things

needed for proper administration and proper enforcement of the tax laws.

Total revenue collected by IRS amounted to approximately \$230 billion in fiscal year 1973 and \$261 billion in fiscal year 1974. Virtually all revenues were received by self-assessment and voluntary compliance of millions of American taxpayers.

A few people, however, attempted tax cheating and various other forms of willful noncompliance. Others attempted to corrupt the integrity of the Federal tax system, trying to improperly influence IRS personnel.

IRS carries out its enforcement functions through two divisions; Intelligence and Internal Security.

#### Intelligence Division

The Intelligence Division investigates possible criminal violations of the Internal Revenue Code, primarily cases of tax evasion and willful failure to file returns. The division is concerned with fraud, and recommends criminal action and/or civil sanctions as appropriate.

The division had approximately 2,700 special agents nationwide in calendar year 1974. The division's budget was \$100,380,000 for fiscal year 1975.

Prosecutions and Penalties. The Division recommended prosecution in 2,555 cases in fiscal year 1973 and prosecution in 2,454 cases in fiscal year 1974. Taxes and penalties recommended on these cases were \$252 million and \$251 million.

General Enforcement Program. In fiscal year 1974, the division spent 272,000 man-days investigating persons engaged in legitimate business, compared to 228,000 man-days in fiscal year 1973. It recom-

mended prosecution in 1,705 cases in fiscal year 1974, down slightly from 1,781 in fiscal year 1973.

Significant areas of coverage in the general enforcement program included cases on preparers of fraudulent returns, and political campaign contributions falsely described and fraudulently deducted as business expenses.

Special Enforcement Program. In fiscal year 1974, the division spent 185,000 man-days investigating illegal business activities down slightly from 188,000 man-days in fiscal year 1973. It recommended prosecution in 749 cases in fiscal year 1974 and 774 cases in fiscal year 1973. Major areas covered included corruption of political officials (where the official did not report illegal income, and/or the other party fraudulently deducted the cost of kickbacks or bribes as legitimate business expense); large scale gambling operations; and organized prostitution.

#### Internal Security Division

The Internal Security Division is concerned with the integrity, honesty, and conduct of IRS employees and also with most cases of outside attempts to corrupt or interfere with the administration of IRS.

The division conducts background investigations of IRS applicants and investigates alleged or discovered misconduct by IRS employees or by tax practitioners.

The division operates with a staff of 400 inspectors from a national office, seven regional headquarters and 37 other duty posts around the nation.

Investigations of all types completed during fiscal year 1974 totaled 21,314. There were 19,654 investigations in fiscal year 1973.

In the first ten months of fiscal year 1975, 15,013 cases were closed.

Prosecutions and Convictions. Prosecutions initiated by the division were based on charges of assaults or threats against IRS employees, attempted bribery, unauthorized disclosure of confidential information, willful filing of false or fraudulent forms, paying a gratuity, embezzlement, perjury, and conspiracy.

A total of 461 assaults or threats against IRS employees were reported in fiscal year 1973, 464 in fiscal year 1974, and 527 through April 1975.

From fiscal year 1973 through April 1, 1975, IRS employees reported a total of 633 possible attempts to bribe. From fiscal year 1973 through April 1975, 121 persons were convicted. Some of these violations are attributed to the efforts of organized crime and racketeering interests to influence the IRS.

## VETERANS ADMINISTRATION

Heroin addicts, chronic abusers of drugs, and alcoholics--all potential perpetrators of crime--may receive treatment and rehabilitation services from the Veterans Administration if their military service qualifies them. The VA administers programs in these areas as part of its overall involvement in Federal law enforcement and criminal justice assistance activities.

### Activities

In the field of crime prevention, the VA is involved in the following areas:

1. Treatment and rehabilitation programs for narcotic addicts, drug abusers, and alcoholics;
2. Maintenance of a large police force responsible, among other things, for preventing drug traffic and coping with bomb threats at the 166 VA hospitals and other facilities; and
3. Provision of educational benefits for persons training in jobs which lead to positions with law enforcement agencies.

### Background

The basic responsibilities of the VA are to provide disability, health, and education benefits; to rehabilitate military service veterans; and to administer programs for whatever benefits are provided by law for veterans and their dependents. The VA operates under Executive Order 5398 in accordance with the Act of July 3, 1930 (46 Stat. 1016).

### Law Enforcement Training

Law enforcement agencies which are engaged in recruiting and

training programs are assisted by the VA. It encourages on-the-job training programs for recruits who meet the requirements of the G.I. Bill's education benefits.

Published VA guidelines describe programs which may be approved, and VA Regional Offices offer advice and help to police departments in their areas. Courses last from six months to two years and must be approved by the appropriate State agency and by the VA.

### Salaries

During a veteran's training period his earnings from the police department are supplemented by the VA. It is a VA requirement that, from the start of a program, the veteran must be paid at least half of the salary of the job for which he is training. By the veteran's last month of training, he must be paid a minimum of 85 percent of the salary he would receive as a regular employee. Veterans with no dependents, who are enrolled in a two-year program, are paid \$196 each month during the first six months of training (more with dependents); \$147 the second six months; \$98 the third six months; and \$49 the last six months.

### Requirements

Basic requirements for hiring police trainees generally include a personal interview, a character investigation, and a driver's license. The District of Columbia Metropolitan Police, the Executive Protective Service, and the U. S. Park Police each have approved programs. A recently approved program for training Deputy U. S. Marshals simultaneously provides a nationwide opportunity for veterans and a recruiting aid to the U.S. Marshals' Service.

## Personnel

During fiscal year 1974 a total of 17,177 persons were in training under VA programs for police type service jobs. Of these, 13,458 were training to be police and detectives; 2,431 guards and watchmen; and 1,288 sheriffs and bailiffs. In fiscal year 1973, there were 16,102 persons in training (13,012 for police and detective forces, 1,912 for guards and watchmen, and 1,178 for sheriffs and bailiffs). In fiscal year 1972 a total of 15,945 persons were in police security training. In fiscal year 1974, the VA provided \$17,471,000 to support these law enforcement trainees. That compared with \$14,368,000 in fiscal year 1973 and \$10,076,000 in fiscal year 1972.

## Drug Dependence Treatment

Scope of Problem: The VA started its first five drug dependence treatment centers in 1971. There are now 54 treatment centers. The VA has seen a significant increase in the number of drug dependent veterans seeking treatment in all hospitals, not only in the special treatment centers. In fiscal year 1974 approximately \$28.8 million was spent by the VA for drug treatments. During that year, 21,077 veterans with drug problems were admitted (including approximately 1,000 active duty servicemen transferred through the Armed Services Medical Regulating Office) to beds set aside for detoxification, withdrawal, screening, and residential treatment. This caseload generated more than 982,000 outpatient visits. A typical treatment takes in two to eight weeks of hospitalization followed by a period of outpatient care. It includes a combination of medical, social, psychiatric, and vocational services designed to combat an individual's dependence on opiates and other drugs. The program goal is to get



a patient away from drugs and try to keep the patient away from them. It aims to restore drug dependent veterans to healthy, social-functioning individuals and to obviate the criminal and anti-social behavior common to narcotic users. By helping an addict to return to a productive life by removing him from the cycle of thefts and other crimes by which he supports his habit, the VA hopes to bring about a direct reduction in crime.

#### Alcohol Treatment

The VA staffs and operates the nation's largest unified system of treatment for alcoholics. Specialized treatment units are located in 71 VA hospitals. A variety of medical-behavioral approaches are utilized to treat alcohol dependent veterans. From July 1973 to June 1974, 90,286 veterans with principal diagnoses of alcoholism (defined as alcohol addiction including chronic alcoholism) were treated and discharged. During the same period 68,400 veterans with associated alcoholism diagnoses were also treated and discharged. The total budgeted operating cost of this alcoholism treatment program in fiscal year 1974 exceeded \$28 million.

#### Direct Law Enforcement Efforts

Beginning in fiscal year 1973, the VA assumed a more direct role in Federal law enforcement by placing a stronger emphasis upon the detection and confiscation of unauthorized drugs. A guard force of 711 was augmented by 700 Federal police officers at VA hospitals; officers were trained in-house and by the Drug Enforcement Administration. VA Hospital Police detected 900 unauthorized drug possessions in fiscal year 1974 and 740 (by May) in 1975. A special team of accredited VA law enforcement personnel was created to respond to indications of

organized drug distribution at VA health care facilities. This unit has been successful in providing U.S. Attorneys with evidence for successful prosecutions of drug distributors. In addition, extensive use has been made of the U. S. Court Violation Notice and the forfeiture of collateral procedure in cases of simple possession of small quantities of marijuana. To prevent diversions of controlled substances from the many pharmacies and from the bulk supply storage points operated by the VA, stringent physical security standards for all controlled substance storage areas were established. This resulted in a reduction to zero from an average of two drug burglaries per month. Soon after the passage of P.L. 93-43 which authorized the Administrator of Veterans Affairs to appoint Federal police officers and to enforce VA regulations and Federal laws on VA property, formal law enforcement procedures were established between VA hospitals and U. S. district courts to provide hospital police with necessary judicial support. Arrests on VA property, for other than traffic offenses, rose from 1,931 in fiscal year 1974 to 2,823 during the first 10 months of fiscal year 1975. These offenses involved illegal possession of firearms, burglary, vice solicitation, assaults, rapes, disturbances, and thefts of government property. New efforts to reduce crime include quality improvements in police personnel and leadership, improved training, heightened physical security, and aggressive investigation of detected criminal operations.

Additionally, the VA has initiated efforts during the last 12 months to return jurisdiction over all VA controlled property which is now classified as Federally exclusive. In establishing concurrent jurisdiction with the states, it is hoped that law enforcement

instances when Federal authorities are either insufficient in number to handle the situation, or when Federal authorities are not immediately available due to remoteness of the location or for some other reason.

